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## **Informe del Presidente Propuesta de préstamo República Federativa del Brasil Proyecto de Desarrollo Inclusivo y Sostenible de Piauí**

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**Medidas:** Se invita a la Junta Ejecutiva a que apruebe la recomendación que figura en el párrafo 52.

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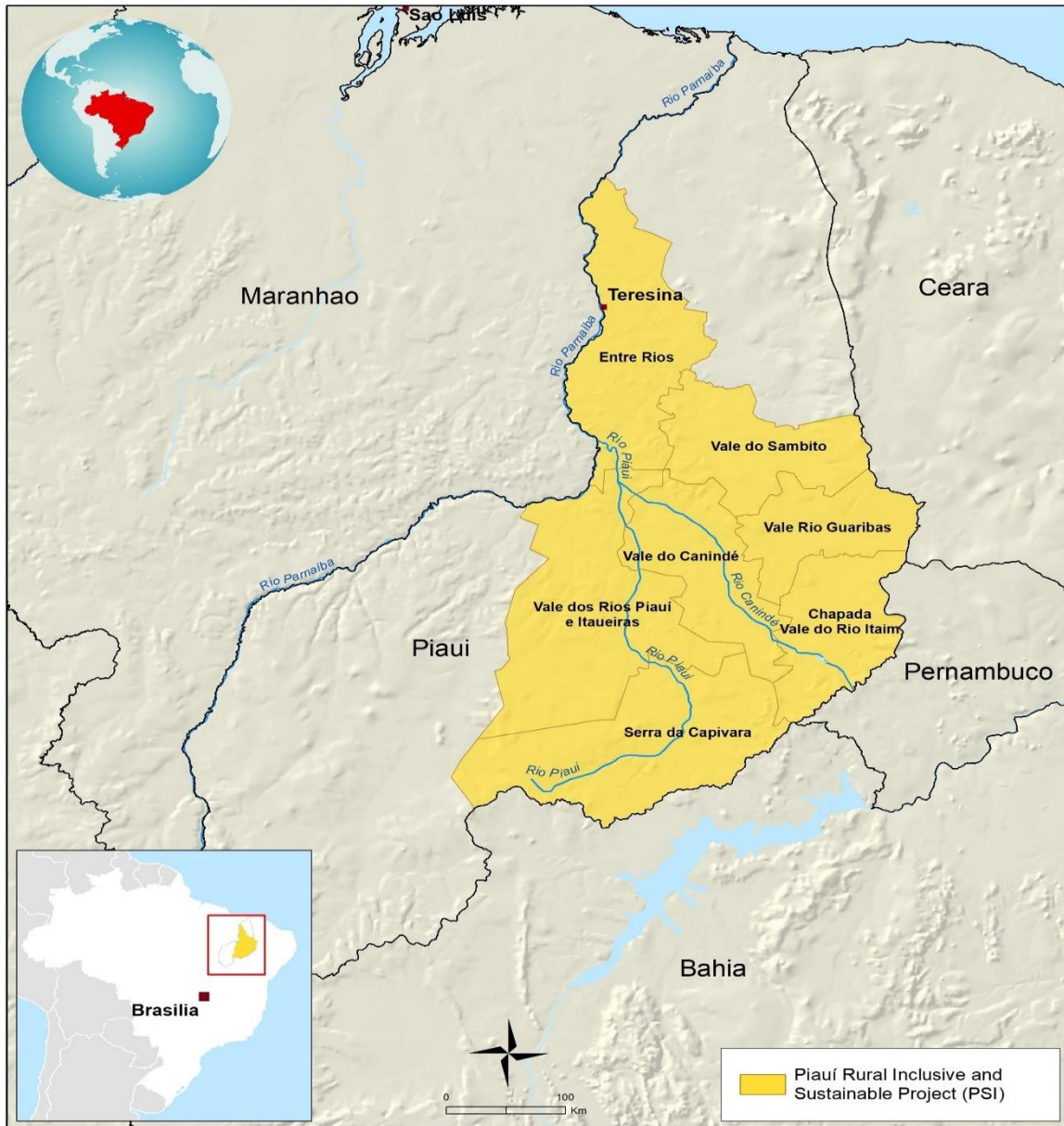
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## Mapa de la zona del proyecto



Las denominaciones empleadas y la forma en que aparecen presentados los datos en este mapa no suponen juicio alguno del FIDA respecto de la demarcación de las fronteras o límites que figuran en él ni acerca de las autoridades competentes.  
Fuente: FIDA / 19-05-2021

## Resumen de la financiación

<b>Institución iniciadora:</b>	Banco Interamericano de Desarrollo (BID)
<b>Prestatario:</b>	Estado de Piauí (con una garantía soberana de la República Federativa del Brasil)
<b>Organismo de ejecución:</b>	Secretaría de Planificación (SEPLAN)
<b>Costo total del proyecto:</b>	USD 147,5 millones
<b>Monto del préstamo del FIDA:</b>	USD 18,0 millones
<b>Condiciones del préstamo del FIDA:</b>	Ordinarias, con un plazo de reembolso de 18 años y un período de gracia de 3 años, a una tasa de interés equivalente a la tasa de referencia del FIDA, más un diferencial variable
<b>Cofinanciador:</b>	BID
<b>Monto de la cofinanciación:</b>	USD 100 millones
<b>Condiciones de la cofinanciación:</b>	Préstamo
<b>Contribución del prestatario:</b>	USD 29,5 millones
<b>Contribución de los beneficiarios:</b>	USD 13 millones ( <i>la contribución de los beneficiarios no se contabilizará en el costo total del proyecto, conforme a los procedimientos del BID</i> )
<b>Monto de la financiación del FIDA para el clima:</b>	USD 13,3 millones
<b>Institución cooperante:</b>	BID

# Proyecto de Desarrollo Inclusivo y Sostenible de Piauí

## I. Contexto

### A. Contexto nacional y justificación de la actuación del FIDA

#### Contexto nacional

1. El Brasil es un país de ingreso mediano alto que cuenta con alrededor de 211 millones de habitantes. Pese a ello, presenta desigualdades multidimensionales profundas y persistentes. Si bien, entre 2003 y 2012, la pobreza extrema se redujo en más del 63 %, esta tendencia se ha invertido en los últimos años. Unos 52 millones de brasileños (el 24 % de la población nacional) viven actualmente por debajo del umbral de pobreza, y 14 millones (el 6,5 %), en condiciones de pobreza extrema. Casi la mitad de las personas pobres del Brasil se concentran en la región noreste del país, la cual alberga a menos de una tercera parte de la población nacional.
2. En la actualidad, el Brasil está atravesando una crisis de hambre e inseguridad alimentaria y nutricional, y ha retrocedido a los niveles de 2004. En 2020, unos 117 millones de brasileños sufrían algún grado de inseguridad alimentaria, de los cuales 43,4 millones no contaban con alimentos suficientes y 19 millones padecían hambre. Menos de la mitad de la población de la región del noreste (49,7 %) accede plena y regularmente a alimentos de calidad, y en 2020 más de 7,6 millones de personas se vieron afectadas por una inseguridad alimentaria grave.
3. La agricultura familiar ocupa un lugar estratégico en las políticas nacionales y estatales orientadas a reducir la pobreza (Objetivo de Desarrollo Sostenible (ODS) 1) y promover la seguridad alimentaria y nutricional (ODS 2), y garantiza los medios de vida de la mayoría de las personas de las zonas rurales. El sector emplea a tres cuartas partes de la fuerza de trabajo agrícola, representa el 77 % de las explotaciones agrícolas y genera un tercio de los ingresos agrícolas nacionales. Sin embargo, los agricultores familiares tienen poco acceso a recursos humanos y financieros, lo que limita su capacidad de adaptación y contribuye a aumentar el éxodo rural, la pobreza y la inseguridad alimentaria.
4. **Estado de Piauí.** Con una superficie de 251 755 km<sup>2</sup>, Piauí es el tercer estado más extenso del noreste del país, y cuenta con una población de 3,2 millones de habitantes, de los cuales el 34,2 % habita en zonas rurales. El producto interno bruto (PIB) anual per cápita de Piauí, de USD 2 968, es el segundo más bajo de todos los estados. Alrededor del 43 % de la población de Piauí vive en condiciones de pobreza, y el 15 %, en condiciones de pobreza extrema, lo que hace que sea el quinto estado brasileño con peores resultados en esa esfera. Dentro del estado, la pobreza se concentra en las zonas rurales semiáridas. El índice de inseguridad alimentaria de Piauí es el más alto del Brasil, ya que esta afecta al 44 % de los hogares.

#### Aspectos específicos relativos a las esferas transversales prioritarias del FIDA

5. En consonancia con los compromisos transversales asumidos en la Duodécima Reposición de los Recursos del FIDA (FIDA12), el proyecto ha sido clasificado como proyecto que tiene en cuenta lo siguiente:
  - la financiación para el clima;
  - una perspectiva transformadora de género;
  - la nutrición, y
  - a los jóvenes.

6. **Perspectiva transformadora de género.** Como parte del marco lógico, se hará un seguimiento minucioso del número de hogares que notifiquen una reducción del tiempo que dedican a recoger agua. Se prevé difundir información sobre el modo de prevenir y abordar la violencia de género. Se procurará lograr la paridad de género entre el personal del proyecto sobre el terreno. El indicador de empoderamiento del FIDA se medirá en el estudio de referencia, a mitad de período y al finalizar el proyecto, lo que permitirá adoptar medidas correctivas, de ser necesario.
7. **Juventud.** A partir de la experiencia de otros proyectos respaldados por el FIDA en el Brasil, en el Proyecto de Desarrollo Inclusivo y Sostenible de Piauí (PSI) se aplicará una perspectiva integral para incluir a la juventud. Por medio del sistema de seguimiento y evaluación (SyE) del proyecto se hará un seguimiento del número de jóvenes que cuenten con nuevas oportunidades de empleo.
8. **Nutrición.** Los puntos de entrada del proyecto para mejorar la nutrición se relacionan principalmente con la mejora del acceso al agua para fines de consumo doméstico y producción agrícola, tecnologías sociales orientadas a la energía renovable, la captación y el almacenamiento de agua para consumo doméstico, y el reciclaje de las aguas residuales grises de los hogares para la producción de frutas y hortalizas. Estas tecnologías desempeñan un papel crucial para las mujeres y para mejorar la resiliencia y la nutrición de los hogares.
9. **Financiación para el clima.** La región semiárida del Brasil es una de las regiones de América del Sur más vulnerables al cambio climático. El proyecto se contabiliza, en parte, como financiación para el clima (alrededor del 74,5 %). De conformidad con la metodología que emplean los bancos multilaterales de desarrollo en el seguimiento de la financiación para la adaptación al cambio climático y la mitigación de sus efectos, se calcula que el monto total de la financiación para el clima concedida por el FIDA a este proyecto asciende a USD 13,3 millones.

#### **Razones que justifican la actuación del FIDA**

10. El Proyecto de Desarrollo Rural Inclusivo y Sostenible de Piauí es la primera operación de préstamo cofinanciada por el Banco Interamericano de Desarrollo (BID) en el Brasil. En él se aplicarán las normas sociales y ambientales del BID, que se ajustan a las normas del FIDA, según lo confirmado mediante un análisis de las deficiencias realizado por el Fondo.
11. La participación del FIDA en el proyecto ha contribuido a lograr un diseño eficaz que se basa en las experiencias del Proyecto de Desarrollo Sostenible en el Semiárido del Estado de Piauí (PVSA), financiado por el Fondo y actualmente en ejecución, incluidos sus enfoques diferenciados para los grupos prioritarios, como los jóvenes, las mujeres y las comunidades tradicionales, entre ellas los afrodescendientes y los pueblos indígenas, y aborda los cuatro temas transversales del FIDA, ya que incorpora una perspectiva transformadora de género, incluye a la juventud y tiene en cuenta la nutrición y el clima.
12. El acuerdo de cofinanciación del Proyecto de Desarrollo Rural Inclusivo y Sostenible de Piauí también amplía el alcance del proyecto y maximiza las complementariedades entre el FIDA y el BID al aprovechar las ventajas comparativas de ambas entidades financiadoras. El acuerdo permite al FIDA aprovechar sus recursos y contribuir a los siguientes objetivos: i) movilizar recursos adicionales para invertir en la población rural; ii) incrementar el alcance; iii) aumentar la inversión pública en pro de la inclusión social y la sostenibilidad; iv) reducir los costos administrativos de diseño y supervisión, y v) aprovechar la información y los conocimientos especializados complementarios del FIDA y el BID.

#### **B. Enseñanzas extraídas**

13. El proyecto se beneficiará de las siguientes enseñanzas extraídas de la cartera del BID y el FIDA.

14. **Resiliencia de los sistemas de producción al cambio climático.** Los resultados positivos de los planes de inversión en la región semiárida ponen de relieve la resiliencia de los sistemas productivos, incluida la utilización de tecnologías para el almacenamiento y el uso eficiente del agua; la rehabilitación de la cubierta vegetal y los mecanismos de captación de agua; la conservación del suelo, y la diversificación de las actividades agrícolas y los canales de comercialización, complementándolos con actividades no agrarias.
15. **Asistencia técnica.** En el Proyecto de Desarrollo Rural Inclusivo y Sostenible de Piauí se tienen en cuenta las siguientes enseñanzas: i) además de problemas técnicos, la asistencia técnica debería abarcar cuestiones relacionadas con la gestión, las finanzas, las adquisiciones y los contratos, de modo que las organizaciones rurales puedan gestionar correctamente los planes de inversión; ii) es necesaria diversidad en la prestación de la asistencia técnica por medio de entidades de la sociedad civil (organizaciones no gubernamentales), empresas privadas y organismos públicos de extensión rural; iii) es preciso que las disposiciones de asistencia técnica incluyan objetivos acordados contractualmente, y iv) los medios de asistencia técnica deben incluir mecanismos a distancia, como el uso de teléfonos móviles, Internet y radio.
16. **Tecnologías sociales.** El FIDA ha adquirido una amplia experiencia en la aplicación de tecnologías sociales adaptadas a la agricultura familiar, cuya escala se ampliará en el marco del proyecto. Por ejemplo, cisternas de recolección de agua de lluvia para consumo humano y producción, cocinas ecológicas para reducir el consumo de leña, biodigestores para diversificar las fuentes de energía, sistemas de reutilización de aguas residuales grises para el riego de huertos domésticos y tecnologías de energía renovable.
17. **Gestión de los conocimientos, diálogo sobre políticas y cooperación Sur-Sur y triangular.** El FIDA tiene una importante ventaja comparativa en esta esfera. El BID ha utilizado muchos de los productos del conocimiento del Fondo para el diseño del Proyecto de Desarrollo Rural Sostenible e Inclusivo de Piauí. La colaboración sustancial del FIDA con el estado de Piauí ha dado lugar a la elaboración de materiales de gestión de los conocimientos que son pertinentes para el proyecto, y que se emplean para el diálogo sobre políticas. Además, la labor del FIDA en cuanto al diálogo sobre políticas basado en conocimientos continuará en el marco del proyecto.

## II. Descripción del proyecto

### A. Objetivos, zona geográfica de intervención y grupos objetivo

18. El objetivo del proyecto es mejorar los ingresos, la seguridad alimentaria, la nutrición, el acceso a los servicios básicos y la adaptación al cambio climático de la población rural que vive en la región semiárida de Piauí. Los objetivos específicos son los siguientes: i) mejorar el acceso al agua para uso doméstico y producción; ii) mejorar las condiciones ambientales de las familias rurales y sus entornos, y iii) incrementar la adopción de tecnologías agrícolas, con hincapié en la adaptación al cambio climático y la mitigación de sus efectos, y la integración de los productores en pequeña escala, especialmente las mujeres, los jóvenes y los afrodescendientes, en las cadenas de valor.
19. La zona de intervención abarca 138 municipios ubicados en las cuencas de los ríos Piauí y Canindé, en la región semiárida de Piauí. El proyecto beneficiará directamente a 60 000 hogares (unas 210 000 personas), de los cuales el 50 % estarán encabezados por mujeres y el 20 %, por jóvenes, y al menos a unos 4 800 hogares de comunidades tradicionales, principalmente quilombolas (afrodescendientes). Unos 31 000 hogares se beneficiarán de las inversiones y la asistencia técnica dirigida a los distintos grupos para mejorar la producción y la comercialización, 28 000 hogares, del acceso al agua, y 6 500 hogares, de la mejora del saneamiento.

20. La población objetivo abarca a agricultores familiares pobres y otras poblaciones pobres de las zonas rurales, y se dará prioridad a las mujeres, los jóvenes y las comunidades tradicionales. La selección de las comunidades rurales participantes se basará en su baja puntuación en el índice de desarrollo humano, la falta de servicios hídricos y de saneamiento, las limitaciones de la productividad agrícola, el acceso limitado a servicios de asistencia técnica y la situación de degradación ambiental.

## **B. Componentes, efectos directos y actividades**

21. En el marco del **componente 1 (seguridad hídrica y saneamiento rural)**, se financiarán pequeñas obras de infraestructura en los hogares y comunidades a fin de mejorar el suministro de agua potable y el saneamiento básico y para reducir las interrupciones del transporte durante la temporada de lluvias. Esto abarca:
- i) pequeñas obras para el agua potable, incluidas cisternas domésticas de recolección de agua de lluvia para consumo humano, y sistemas simplificados de suministro de agua que lleguen a los hogares y las fuentes comunitarias (recursos hídricos superficiales o subterráneos);
  - ii) sistemas simplificados de saneamiento básico para los hogares, incluidos sistemas de tratamiento de las aguas residuales, sistemas de reutilización de las aguas residuales grises para huertos domésticos y hoyos de cultivo, y
  - iii) vados en cursos de agua intermitentes.
22. El **componente 2 (adaptación al cambio climático y recuperación ambiental)** se sustentará en cuatro tipos de intervenciones: i) planes de adaptación productiva; ii) planes de negocio; iii) planes de recuperación ambiental, y iv) regularización ambiental y de la tierra. Los planes beneficiarán a las organizaciones de productores y prestarán especial atención a las mujeres, los jóvenes y las comunidades tradicionales, especialmente los afrodescendientes, que participarán en su formulación y ejecución. La regularización ambiental y de la tierra se llevará a cabo principalmente en las comunidades afrodescendientes. Los planes de adaptación productiva beneficiarán a grupos de productores, financiarán principalmente insumos, aperos, equipos, asistencia técnica y obras en pequeña escala y se centrarán en el fortalecimiento de la seguridad alimentaria y la nutrición. Los planes de negocio financiarán cooperativas y organizaciones económicas e incluirán, principalmente, asistencia técnica especializada y financiación para mejorar la producción, el almacenamiento, el procesamiento y la comercialización de los productos. Los planes de recuperación ambiental financiarán la asistencia técnica y las inversiones de los grupos de productores comunitarios para rehabilitar la cubierta vegetal en las zonas deterioradas de la cuenca hidrográfica Piauí-Canindé. Este componente también brindará financiación destinada a la regularización ambiental y de la tierra con fines como la recopilación de información, la georreferenciación, el Registro Ambiental Rural del Brasil (CAR) y la emisión de títulos de propiedad.
23. El **componente 3 (fortalecimiento institucional)** permitirá fomentar las capacidades de las secretarías estatales, los organismos gubernamentales y los agentes privados para apoyar el desarrollo rural sostenible y la agricultura familiar dentro del ámbito de alcance del proyecto. El componente se ejecutará por medio de planes de fomento de la capacidad dirigidos a instituciones públicas clave y organizaciones comunitarias participantes, como las encargadas del funcionamiento y mantenimiento de la infraestructura de agua y saneamiento. Se realizarán estudios sobre aspectos técnicos, ambientales y sociales de las cuencas del Piauí-Canindé, así como sobre la viabilidad de la construcción de presas pequeñas en el marco de posibles proyectos futuros. Por último, se pondrán a prueba soluciones digitales innovadoras en el ámbito de la agricultura familiar que incluirán servicios tecnológicos aplicados a las finanzas y la agricultura. También se reforzará la labor en torno a la gestión de los conocimientos y el diálogo sobre políticas.



### C. Teoría del cambio

24. Las poblaciones rurales que habitan en la zona del proyecto se ven afectadas desproporcionadamente por la pobreza, ya que 30 000 hogares agrícolas viven en condiciones de pobreza extrema y padecen inseguridad alimentaria y nutricional (el 44 % de los hogares no tienen garantizado el acceso a los alimentos). Las comunidades tradicionales se ven perjudicadas de manera desproporcionada: el 78 % de los quilombolas y el 66 % de los hogares indígenas viven en condiciones de pobreza extrema. Esto se debe principalmente a los bajos niveles de diversificación y los escasos ingresos y productividad agrícolas, junto con la limitada vinculación con los mercados y la gran dependencia de ingresos externos, en particular los programas sociales de transferencias. La escasez de agua para fines de consumo humano y producción es uno de los principales motivos del limitado desarrollo económico y social de Piauí, lo que hace que estas poblaciones sean vulnerables a las sequías y otros efectos del cambio climático. Además, las deficiencias de los servicios básicos de saneamiento y energía y la falta de oportunidades económicas y de capacitación han intensificado el éxodo de jóvenes y han originado una gran brecha de género en el acceso a los recursos naturales, sociales y económicos (por ejemplo, el 76 % de los propietarios de tierras en la zona del proyecto son hombres).
25. Para superar estas limitaciones, el proyecto adoptará una estrategia integrada que abarcará tres componentes interrelacionados mencionados *supra* a fin de alcanzar sus objetivos.
26. A largo plazo, los resultados deberían generar una serie de efectos coherentes con el objetivo general de aumentar los ingresos de la población rural, su acceso a los servicios básicos y su adaptación al cambio climático. Se prevé que las diversas intervenciones contribuyan a i) aumentar los ingresos agrícolas; ii) reducir la incidencia de la pobreza en la población beneficiaria; iii) incrementar la diversidad alimentaria mínima de las mujeres beneficiarias, y iv) reducir las emisiones de gases de efecto invernadero, principalmente mediante actividades de restauración ambiental.

### D. Armonización, sentido de apropiación y asociaciones

27. El proyecto se ajusta al principio de la Agenda 2030 de no dejar a nadie atrás y, en particular, a los siguientes ODS: 1 (fin de la pobreza), 2 (hambre cero y agricultura sostenible), 5 (igualdad de género), 6 (agua limpia y saneamiento), 7 (energía asequible y no contaminante) y 13 (acción por el clima). Además, contribuirá a todos los temas transversales de la FIDA<sup>12</sup>; a los objetivos estratégicos del Marco Estratégico del FIDA (2016-2025), a saber, el objetivo estratégico 1 (aumento de la producción), el objetivo estratégico 2 (aumento de la participación en los mercados) y el objetivo estratégico 3 (aumento de la resiliencia al cambio climático), y a los objetivos estratégicos del programa sobre oportunidades estratégicas nacionales (COSOP) para el Brasil para el período 2016-2022, en concreto: i) mejorar la producción agrícola, la seguridad alimentaria y la nutrición, y potenciar el acceso a los mercados; ii) fomentar el desarrollo rural y los programas de reducción de la pobreza rural, y iii) fortalecer las capacidades de las instituciones gubernamentales y las organizaciones de agricultores.
28. El proyecto se ajusta plenamente a las políticas de desarrollo rural del estado, en particular su Plan Plurianual para 2020-2023 y su Plan de Recursos Hídricos, y garantiza el sentido de apropiación de las autoridades estatales, con arreglo al sistema federativo descentralizado del Brasil. También se ajusta a varios programas y políticas nacionales de desarrollo rural sostenible y tiene en cuenta los proyectos federales financiados por el FIDA (Coordinación y Diálogo sobre Políticas para Reducir la Pobreza y las Desigualdades en la Región Semiárida del Nordeste

del Brasil (PDHC-II)) y del BID (Programa de Apoyo al Desarrollo Productivo en el Nordeste (AgroNordeste)), ambos ejecutados por el Ministerio de Agricultura, Ganadería y Abastecimiento (MAPA).

## E. Costos, beneficios, y financiación

### Costos del proyecto

29. Los costos totales del proyecto ascienden a USD 147,5 millones, lo que corresponde principalmente a los costos de los componentes 1 y 2 (40 % y 48 %, respectivamente). La gestión del proyecto representará alrededor del 7 % de los costos totales. Los costos del proyecto se financiarán con un préstamo del BID de USD 100 millones, un préstamo del FIDA (con arreglo al Mecanismo de Acceso a Recursos Ajenos (BRAM)) de USD 18 millones, y financiación de contrapartida del estado de Piauí por USD 29,5 millones. Además, los beneficiarios del proyecto aportarán una contribución en especie por valor de USD 13 millones, que no se han incluido en el informe sobre el diseño, de conformidad con los procedimientos del BID. Su contribución ascenderá, aproximadamente, al 10% del costo de cada plan de adaptación productiva y el 20 % del costo de cada plan de actividades.
30. El proyecto será financiado proporcionalmente por el FIDA, el BID y el estado de Piauí en lo que respecta a todos sus componentes. Esto garantizará la participación y actuación del Fondo en todo el proyecto y su visibilidad durante la ejecución.

Cuadro 1

### Costos del proyecto desglosados por componente y entidad financiadora

(en miles de dólares de los Estados Unidos)

Componente	Préstamo del FIDA		Préstamo del BID		Estado de Piauí		Total	
	Monto	%	Monto	%	Monto	%	Monto	%
1. Seguridad hídrica y saneamiento rural	7 238	40	40 222	40	11 865	40	59 325	40
2. Adaptación al cambio climático y recuperación social y ambiental inclusiva	8 690	48	48 265	48	14 239	48	71 194	48
3. Fortalecimiento institucional	864	5	4 801	5	1 416	5	7 081	5
Gestión, seguimiento, evaluación, gestión de los conocimientos y auditoría	1 208	7	6 712	7	1 980	7	9 901	7
<b>Total</b>	<b>18 000</b>	<b>100</b>	<b>100 000</b>	<b>100</b>	<b>29 500</b>	<b>100</b>	<b>147 500</b>	<b>100</b>

31. Conforme a las políticas del BID, el cuadro de asignaciones está desglosado por componente. A fin de simplificar las disposiciones para la ejecución, el control de los presupuestos y los requisitos de presentación de información financiera, el cuadro de asignaciones que figura en el convenio de financiación del FIDA se desglosará por componente y no por categoría. Por ello, no se incluye el cuadro sobre los costos del proyecto desglosados por categoría de gasto y entidad financiadora.

Cuadro 2

### Costos del proyecto desglosados por componente y año

(en miles de dólares de los Estados Unidos)

Componente	Primer año	Segundo año	Tercer año	Cuarto año	Quinto año	Sexto año	Total
	Monto	Monto	Monto	Monto	Monto	Monto	Monto
1. Seguridad hídrica y saneamiento rural	2 950	9 687	16 115	17 490	13 083	-	59 325
2. Adaptación al cambio climático y recuperación social y ambiental inclusiva	4 144	10 372	17 401	19 503	12 546	7 228	71 194
3. Fortalecimiento institucional	625	1 610	2 066	1 440	720	620	7 080
Gestión, seguimiento, evaluación, gestión de los conocimientos y auditoría	1 301	1 720	1 929	1 929	1 720	1 301	9 901
<b>Total</b>	<b>9 021</b>	<b>23 389</b>	<b>37 511</b>	<b>40 362</b>	<b>28 067</b>	<b>9 150</b>	<b>147 500</b>

**Desembolsos**

32. El estado de Piauí abrirá una cuenta designada en dólares de los Estados Unidos, que se utilizará exclusivamente para los recursos que proporcione el FIDA. Los fondos se transferirán en la moneda local de la cuenta designada a las cuentas operacionales del estado de Piauí. Durante la ejecución del proyecto se llevará a cabo un seguimiento de la cláusula *pari passu*, y una vez finalizado el proyecto se verificará el cumplimiento del compromiso. El personal del proyecto presentará solicitudes de retiro de fondos al BID, el cual las examinará para garantizar que se respeten las disposiciones del convenio de financiación del FIDA y confirmará por escrito al Fondo si se han cumplido las condiciones para el desembolso y si se autoriza el pago.

**Resumen de los beneficios y análisis económico**

33. El análisis financiero arrojó una tasa interna de rendimiento económico del proyecto del 13,66 % y un valor actual neto de USD 7,7 millones. Según un análisis comparativo de los costos, los costos de inversión del proyecto son razonables y comparables a los de otras inversiones del BID: i) las soluciones de saneamiento rural del proyecto cuestan entre USD 493 y USD 684 por hogar, y ii) las inversiones para la regularización de las tierras tienen un costo de USD 12,4 por hectárea.

**Estrategia de salida y sostenibilidad**

34. El Proyecto de Desarrollo Rural Inclusivo y Sostenible de Piauí ampliará la escala del enfoque del Proyecto de Desarrollo Sostenible en el Semiárido del Estado de Piauí orientado a fomentar la capacidad de las organizaciones de productores rurales para producir de manera sostenible con un alto nivel de resiliencia al cambio climático y para ofrecer servicios duraderos a sus miembros. Además, el componente 3 permitirá fortalecer las capacidades estatales para garantizar la prestación de servicios de calidad a las poblaciones rurales durante y después del período de ejecución del proyecto. Como parte de la gestión del proyecto se aplicará una estrategia de salida orientada a la sostenibilidad de las intervenciones, lo que se sustentará en la labor sobre la gestión de los conocimientos y el diálogo sobre políticas. El hecho de que el proyecto sea cofinanciado por el FIDA y el BID también implica que la escala de su metodología, sus esferas transversales y sus operaciones podría ampliarse en otros proyectos financiados por el BID, el cual tiene una importante presencia en el país y la región.

**III. Riesgos****A. Riesgos y medidas de mitigación**

35. La matriz integrada de riesgos del proyecto se preparó según las directrices del FIDA. El riesgo general del proyecto es considerable y el riesgo residual, moderado.

Cuadro 3

**Riesgos y medidas de mitigación**

<i>Ámbitos de riesgo</i>	<i>Calificación del riesgo inherente</i>	<i>Calificación del riesgo residual</i>
Contexto nacional	Considerable	Moderado
Estrategias y políticas sectoriales	Alto	Moderado
Medio ambiente y clima	Alto	Moderado
Alcance del proyecto	Moderado	Bajo
Capacidad institucional de ejecución y sostenibilidad	Considerable	Moderado
Gestión financiera	Considerable	Bajo
Adquisiciones y contrataciones	Moderado	Bajo
Impacto ambiental, social y climático	Considerable	Moderado
Partes interesadas	Moderado	Bajo
<b>Generales</b>	Considerable	Moderado

## **B. Categoría ambiental y social**

36. El FIDA realizó un análisis de las deficiencias en el que comparó el Marco de Política Ambiental y Social del BID con la edición de 2021 de los Procedimientos del FIDA para la Evaluación Social, Ambiental y Climática. El análisis confirmó que los compromisos del FIDA en materia social, ambiental y sobre el cambio climático se cumplirán correctamente con el uso del Marco de Política del BID y las correspondientes normas de desempeño. El proyecto ha sido clasificado como de categoría B. Los efectos ambientales y sociales que podrían derivarse de la ejecución son mínimos. Se prevé realizar un seguimiento y una verificación adecuados del cumplimiento de las salvaguardias durante todo el ciclo del proyecto.

## **C. Clasificación del riesgo climático**

37. El riesgo climático se ha clasificado como moderado. Se cuenta con toda la información considerada de importancia, se han determinado las medidas para mitigar los riesgos, y el proyecto incluirá un análisis de los riesgos climáticos y de desastres.

## **D. Sostenibilidad de la deuda**

38. La deuda del estado de Piauí se calificó como de categoría "A" en 2021, ya que el coeficiente de endeudamiento era del 56 %. Además, la calificación de la Secretaría del Tesoro Nacional del Ministerio de Economía, que abarca el endeudamiento, los ahorros actuales y la liquidez, permite al estado acceder a una garantía soberana del Gobierno federal del Brasil. El préstamo estará garantizado por el Gobierno federal del Brasil.

# **IV. Ejecución**

## **A. Marco organizativo**

### **Gestión y coordinación del proyecto**

39. El Proyecto de Desarrollo Rural Inclusivo y Sostenible de Piauí se ejecutará en un período de seis años. El organismo de ejecución será la Secretaría de Planificación del estado de Piauí (SEPLAN), en colaboración con la Secretaría de Agricultura Familiar (SAF), la Secretaría de Medio Ambiente y Recursos Hídricos (SEMAR) y el Instituto de Tierras de Piauí (INTERPI). Para garantizar una presencia sólida en la zona del proyecto, se establecerán una unidad de gestión del proyecto y siete unidades territoriales del proyecto sobre el terreno.

### **Gestión financiera, adquisiciones y contrataciones, y gobernanza**

40. Gestión financiera. El equipo financiero de la unidad de gestión del proyecto de la Secretaría de Planificación de Piauí se encargará de la gestión financiera del proyecto. El BID será nombrado institución cooperante y será responsable de gestionar y supervisar la ejecución de la financiación del FIDA. Para ello, se basará en lo establecido en una carta de nombramiento que incluirá detalles sobre las disposiciones de supervisión, como las misiones, la presentación de informes financieros y las auditorías. Para simplificar las disposiciones de ejecución, el FIDA aceptará la aplicación de las políticas y los procedimientos financieros del BID, que el Fondo ha examinado para confirmar que se ajustan a sus requisitos fiduciarios.
41. **Auditoría externa.** Las cuentas y los estados financieros anuales del proyecto serán auditados por una empresa privada de auditoría de conformidad con las Normas Internacionales de Auditoría y las políticas y los procedimientos del BID. Los estados financieros auditados se presentarán al BID y al FIDA dentro de los seis meses posteriores al cierre de cada ejercicio económico. Las disposiciones relativas a la gestión financiera, las adquisiciones y contrataciones y la gobernanza se describirán en el manual de ejecución del proyecto y se basarán en las directrices del BID para la gestión financiera y las adquisiciones y contrataciones en el marco del proyecto (GN-2349-15 para la adquisición de bienes y la contratación

de obras y GN-2350-15 para la contratación de consultores). También tendrán en cuenta la experiencia en la ejecución del Proyecto de Desarrollo Sostenible en el Semiárido del Estado de Piauí. En el plan de adquisiciones y contrataciones se determinarán los bienes sujetos a revisiones *ex ante* o *ex post* de las actividades de adquisición y contratación. Según el análisis de las deficiencias de las directrices y los procedimientos del BID, el Banco aplicará los siguientes procedimientos del FIDA: i) la autocertificación de los contratistas y consultores en todos los documentos de licitación y contratos, de conformidad con la Política del FIDA en materia de Prevención del Fraude y la Corrupción en sus Actividades y Operaciones y su Política sobre Prevención y Respuesta frente al Acoso Sexual y la Explotación y los Abusos Sexuales, y ii) el uso de la herramienta de seguimiento de los contratos del Fondo, para registrar los contratos firmados y actualizar su estado.

#### **Participación y observaciones del grupo objetivo del proyecto y resolución de reclamaciones**

42. El diseño del proyecto incluyó una consulta con interesados en la que participaron 250 personas de toda la zona del proyecto. También se creará un comité de coordinación del proyecto que tendrá responsabilidades operacionales y estará integrado por representantes del proyecto, los equipos operacionales de la Secretaría de Agricultura Familiar, la Secretaría de Medio Ambiente y Recursos Hídricos y el Instituto de Tierras de Piauí, y representantes de la sociedad civil y los beneficiarios. Además, se celebrarán reuniones y talleres de movilización y consulta sobre el terreno para aumentar la participación de los agentes locales y los beneficiarios.

#### **Resolución de reclamaciones**

43. El mecanismo de reclamación adoptado será el del BID, de conformidad con su Marco de Política Ambiental y Social (MPAS), que incluye un mecanismo específico de resolución de reclamaciones (*Mecanismo de Resolução de Queixas*, según la terminología del BID en portugués). El mecanismo se establecerá durante las consultas y se mantendrá durante la ejecución del proyecto.

#### **B. Planificación, seguimiento y evaluación, aprendizaje, gestión de los conocimientos y comunicación**

44. El sistema de planificación y seguimiento y evaluación del proyecto se ajusta al marco lógico del FIDA. Los estudios de referencia y del impacto del Proyecto de Desarrollo Sostenible en el Semiárido del Estado de Piauí fueron fundamentales para orientar la preparación del marco lógico. A fin de ceñirse a los criterios para la incorporación de los temas transversales del FIDA, el marco lógico incluye varios indicadores básicos del Fondo relativos al alcance, el número de personas con nuevos empleos u oportunidades laborales, el porcentaje de mujeres que notifican una diversidad alimentaria mínima, los hogares que reciben apoyo específico para mejorar su nutrición, el número de hogares que notifican una reducción considerable del tiempo que dedican a recoger agua, las toneladas de equivalente de dióxido de carbono evitadas o secuestradas, los hogares que informan de haber adoptado tecnologías sostenibles desde el punto de vista ambiental y resilientes al cambio climático y el indicador de empoderamiento del FIDA. En el marco del proyecto se realizarán estudios de referencia, a mitad de período y sobre el impacto.

#### **Innovación y ampliación de escala**

45. El proyecto puede innovar y ampliar su escala en esferas como el acceso a tecnologías digitales en el ámbito de los servicios de extensión en el medio rural. El propio proyecto representa una experiencia de ampliación de escala, ya que se basa en el Proyecto de Desarrollo Sostenible en el Semiárido del Estado de Piauí, el cual es ejecutado por el FIDA y concluirá el 31 de diciembre de 2022. Se prevé que el proyecto dé lugar a más operaciones cofinanciadas con el BID y otras entidades multilaterales que operan en el Brasil.

## **C. Planes para la ejecución**

### **Preparación para la ejecución y planes para la puesta en marcha**

46. El Proyecto de Desarrollo Sostenible en el Semiárido del Estado de Piauí incrementó considerablemente la preparación del estado de Piauí para la ejecución del Proyecto de Desarrollo Rural Inclusivo y Sostenible de Piauí, lo que permitirá su puesta en marcha rápida y sin contratiempos. Además, el BID y el FIDA prepararán una misión de puesta en marcha y considerarán financiación retroactiva para apoyar el proceso.

### **Supervisión, examen de mitad de período y planes de finalización**

47. Se realizarán misiones periódicas de supervisión y apoyo a la ejecución, así como un examen de mitad de período y una misión de finalización. El BID será nombrado institución cooperante del proyecto, y se encargará de administrar el préstamo del FIDA conforme al acuerdo de coordinación entre el BID y el Fondo.
48. En virtud de ese acuerdo, el BID coordinará con el FIDA los planes y mandatos de las misiones de supervisión y otras misiones por adelantado, de modo que el Fondo pueda contribuir a la preparación y ejecución de las misiones. Durante las misiones de supervisión, el FIDA abarcará temas que respondan a las necesidades del proyecto, en coordinación con el BID y el estado de Piauí. Habida cuenta de la alta calidad de la supervisión y el apoyo a la ejecución que ofrece el FIDA, el BID y el Fondo colaborarán estrechamente para hacer un buen uso de los conocimientos y la experiencia del FIDA.

## **V. Instrumentos jurídicos y facultades**

49. Un convenio de financiación entre el estado de Piauí y el FIDA, y un convenio de garantía entre la República Federativa del Brasil y el FIDA constituirán los instrumentos jurídicos para la concesión de la financiación propuesta al prestatario. Se adjunta una copia del convenio de financiación negociado como apéndice I.
50. El estado de Piauí está facultado por su legislación para recibir financiación del FIDA.
51. Me consta que la financiación propuesta se ajusta a lo dispuesto en el Convenio Constitutivo del FIDA y en sus Políticas y Criterios en materia de Financiación.

## **VI. Recomendación**

52. Recomiendo a la Junta Ejecutiva que apruebe la financiación propuesta de acuerdo con los términos de la resolución siguiente:

RESUELVE: que el Fondo conceda un préstamo en condiciones ordinarias al estado de Piauí con garantía soberana de la República Federativa del Brasil por un monto de dieciocho millones de dólares de los Estados Unidos (USD 18 000 000) conforme a unos términos y condiciones que se ajusten sustancialmente a los presentados en este informe.

Gilbert F. Hougbo  
Presidente

# Negotiated financing agreement: "Piauí Inclusive and Sustainable Project"

(Negotiations concluded on 31 August 2022)

Loan No: \_\_\_\_\_

Project Name: Integrated Project for Water Security, Environmental Sustainability and Socio-productive Development of the Piauí and Canindé Rivers Basin, State of Piauí - Piauí Inclusive and Sustainable Project (PSI) (the "Project")

State of Piauí - Federative Republic of Brazil (the "Borrower/Recipient")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

**WHEREAS**, the Borrower has requested a loan from the Fund for the purpose of financing the Project described in Schedule 1 to this Agreement;

**WHEREAS**, the Project shall be co-financed by the Inter-American Development Bank (the "IDB"). The Borrower and the IDB will enter into a financing agreement (the "IDB Loan Agreement") to provide one hundred million United States Dollars (USD 100 000 000) for the Project;

**WHEREAS**, the Fund and IDB will enter into a Coordination Agreement (the "Coordination Agreement") to establish the responsibilities of IDB as the administrator (the "Cooperating Institution") of the execution of the activities financed through the IFAD Loan;

**WHEREAS**, the Fund has agreed to provide financing for the Project;

**NOW THEREFORE**, the Parties hereby agree as follows:

## Section A

1. The following documents collectively form this Agreement: this document, the Project Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2) and the Special Covenants (Schedule 3).
2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2020 (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.
3. The Fund shall provide a loan to the Borrower (the "Loan" or "Financing"), which the Borrower shall use to implement the Project in accordance with the terms and conditions of this Agreement.
4. The Loan is to be guaranteed by the Federative Republic of Brazil (the "Guarantor") on the terms and conditions set forth in an agreement, of even date, to be entered into by the Fund and the Federative Republic of Brazil (the "Guarantee Agreement").

## **Section B**

1. The amount of the Loan is up to eighteen million United States dollars (USD 18 000 000)
2. The Loan is granted on ordinary terms and shall have a maturity period of eighteen (18) years, including a grace period of three (3) years starting from the date on which the Fund has determined that all general conditions precedent to withdrawal have been fulfilled in accordance with Section 4.02(b) of the General Conditions.
3. The Loan Service Payment Currency shall be in United States dollars (USD).
4. The first day of the applicable Fiscal Year shall be 1 January.
5. Payments of principal and interest shall be payable on each 15 May and 15 November.
6. There shall be a Designated Account opened by and held in the name of the Borrower in USD, for the exclusive use of the Project. The Borrower shall inform the Fund of the officials authorized to operate the Designated Account.
7. There shall be a Project Account in Brazilian Real (BRL) for the benefit of the Government of the State of Piauí in a bank selected by the Borrower.
8. The Borrower shall provide counterpart financing for the Project in the amount of four million five hundred thousand United States dollars (USD4,500,000), which shall also include the payment of taxes.

## **Section C**

1. The Lead Programme Agency shall be the Secretariat of Planning of the State of Piauí (SEPLAN) or its successor with the same attributions and legal competencies, subject to prior approval by the Fund for the purposes of the Project.
2. The following are designated as additional Project Parties: Secretariat of Family Farming (SAF), the Secretariat of Environment and Water Resources (SEMAR) and the Land Institute of Piauí (INTERPI) or their successors with the same attributions and legal competencies, subject to prior approval by the Fund for the purposes of the Project.
3. A Mid-Term Review mission will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review mission of the implementation of the Project.
4. The Project Completion Date shall be the sixth anniversary of the date of entry into force of this Agreement and the Financing Closing Date shall be 6 months later, or such other date as the Fund may designate by notice to the Borrower.
5. Procurement of goods, works and services financed by the Financing shall be carried out:
  - (a) in accordance with the provisions of the IDB Policy for the Procurement of Goods and Works Financed by the IDB (GN- 2349- 15) and the Policy for the Selection and Contracting of Consultants Financed by the IDB (GN-2350-15) as referred in the Coordination Agreement between IDB and IFAD.



**Section D**

1. The Loan shall be administered by the Fund.
2. The Project shall be supervised by the IDB as the Cooperating Institution.

**Section E**

1. The following are designated as additional grounds for suspension of this Agreement:
  - (a) The Project Implementation Manual (PIM) (*Regulamento Operacional do Projeto* (ROP) in IDB language) and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of IDB, and the Fund, after consultation with the Borrower, has determined that it has had, or is likely to have, a material adverse effect on the Project.
2. The following are designated as additional (general/specific) conditions precedent to withdrawal:
  - (a) The Guarantee Agreement shall have been duly signed, and the signature thereof by the Guarantor shall have been duly authorised by all necessary administrative and governmental authorities;
  - (b) The PIM (ROP in IDB language) shall have been agreed;
  - (c) The Project Designated Account and the operational accounts shall have been opened.
  - (d) The Project Management Unit (PMU) shall have been established within SEPLAN and its members appointed.
  - (e) The IDB Loan Agreement shall have entered into full force and effect.
  - (f) The right of the Borrower to withdraw the proceeds of the IDB Loan Agreement has not been suspended, cancelled or terminated, in whole or in part, or the IDB Loan has become due and payable prior to the agreed maturity thereof provided that the Parties could not have reached an agreement on a mutual solution.
4. The following provisions of the General Conditions shall not apply to this Agreement:

Section 5.02; (Repayments and Prepayments of Principal):

- (c) The Fund may modify the repayment terms applicable to the principal amount of the Loan disbursed and outstanding in accordance with the applicable accelerated repayment and voluntary prepayment framework of the Fund.
- (d) Pursuant to paragraph (c) above, upon notification by the Fund to the Borrower, the Borrower shall repay twice the original amount of the remaining loan instalments of the withdrawn loan outstanding, along with any interest due.
- (e) If, at any time after the repayment terms have been modified pursuant to paragraph (c) above, the Fund determines that the Borrower's economic condition has deteriorated significantly, the Fund may, if so requested by the Borrower, further reverse the terms of repayment of the principal amount to the ones originally agreed upon in this Agreement.

5. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower:

Palácio de Karnak  
Avenida Antonino Freire, n. 1450  
Centro Sul  
CEP: 64001-040  
Teresina, Estado do Piauí

Procuradoria-Geral da Fazenda Nacional  
Coordenação-Geral de Operações Financeiras da União  
Esplanada dos Ministérios, Bloco "P", 8º Andar, Sala 803  
CEP 70040-900, Brasília, Distrito Federal, Brasil  
Tel nº + 55 (61) 3412.2842  
E-mail: [apoioconf.df.pgfn@pgfn.gov.br](mailto:apoioconf.df.pgfn@pgfn.gov.br)

For the Fund:

International Fund for Agricultural Development  
Via Paolo di Dono 44  
00142 Rome, Italy

This Agreement, \_\_\_\_\_ has been prepared in the English language in three (3) original copies, one (1) for the Fund, one (1) for the Borrower and one (1) for the Guarantor.

THE STATE OF PIAUÍ

\_\_\_\_\_  
"[Authorised Representative Name]"  
"[Authorised Representative title]"

Date: \_\_\_\_\_

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

\_\_\_\_\_  
President

Date: \_\_\_\_\_

## Schedule 1

### *Project Description and Implementation Arrangements*

#### I. Project Description

1. *Target Population.* The target population comprises family farmers and rural populations living in poverty and extreme poverty in the Project area.

2. *Project area.* The Project area will cover 138 municipalities. The geographic targeting strategy is based on the state priority for water investments in the watershed of the Piauí and Canindé rivers in Piauí's semiarid region and selects areas with high levels of poverty and vulnerability to climate change, food and nutrition insecurity, and a low human development index (the "Project Area").

3. *General Objective.* The general objective of the Project is to improve the rural population's income, food security, nutrition, access to basic services and adaptation to climate change.

4. *Specific objectives.* The specific objectives are to: (i) improve access to water for human consumption and agricultural production; (ii) improve the environmental conditions of rural families and their surroundings; and (iii) increase the adoption of agricultural technologies, with an emphasis on climate change adaptation and mitigation, and improve the integration of producers into value chains, especially women, youth and Afro-descendants (quilombolas).

5. *Components.* The Project shall consist of the following Components:

##### *5.1 Component 1. Water security and rural sanitation*

5.1.1. The component will fund: (i) small works in rural communities to improve the supply of potable water, including individual cisterns to collect and store rainwater for human consumption, domestic water supply networks and fountains; (ii) basic sanitation (simplified individual systems); and (iii) wet passages to reduce transport disruptions in the rainy season.

5.1.2 The works that will be funded by component 1 must meet the following eligibility criteria: (i) correspond to rural water supply works (cisterns, water supply networks with home connection and hydrometer, fountains), sanitation (simplified individual systems) and wet passages; (ii) demonstrate socioeconomic feasibility, in accordance with the cost-benefit and cost-effectiveness simplified analysis methodologies accepted by the IDB applied to the selected sample; and (iii) comply with applied socio-environmental requirements of the Project's Environmental and Social Management Framework (MGAS).

5.1.3 For water supply networks with a home connection and a water meter, the following eligibility criterion will also apply: a cooperation agreement must be signed between the respective municipality and the Integrated Rural Sanitation System (SISAR), with the objective of formalizing the obligations related to the operation and management of the collective water system. For wet passages, the following eligibility criterion will apply: a legal instrument must be signed between the Borrower and the respective municipality, in which the municipality assumes responsibility for maintaining the infrastructure of the works.

5.2 Component 2. Adaptation to Climate Change and Inclusive Social and Environmental Recovery.

5.2.1 This component will fund four types of interventions: (i) Productive Adaptation Plans (PAPs); (ii) Business Plans (PNs); (iii) Environmental Recovery Plans (PRAs); and (iv) land and environmental regularization. The plans will benefit producer organizations, with a focus on women, youth and traditional communities, especially Afro-descendants, who will participate in their formulation and implementation. Land and environmental regularization

will be carried out mainly in Afro-descendant communities. PAPs will benefit producers' group and will finance mainly inputs, tools, equipment, technical assistance, and small-scale works and will focus on the strengthening of food security and nutrition. PNs will finance cooperatives and economic organizations and will include mainly specialized technical assistance and finance to enhance the production, storage, processing and marketing of products.

5.2.2 The PRAs will fund technical assistance and investments by community producer groups to restore vegetation cover in deteriorated areas of the Piauí-Canindé watershed. The Component will also provide funding for land and environmental regularization for the collection of information, georeferencing, Rural Environmental Registry (CAR for its acronym in Portuguese) registration and issuance of property titles.

5.2.3 To enhance the income for women, Afro-descendants and youth, at least 25% of total resources for PAPs will go to associations and cooperatives that have a majority and are led by women, at least 15% to Afro-descendants communities and at least 5% to youth-only groups. Prioritization criteria will also be defined for PAPs and PNs that favour mixed groups with a higher proportion of women, youth and Afro-descendant producers. Each plan will fund a maximum of US\$4,000 per beneficiary and US\$400,000 per plan for PAPs and US\$600,000 for PNs. The PRAs will fund a maximum of US\$1,500 per beneficiary and US\$33,000 per plan. The Project Implementation Manual (PIM) (ROP in IDB language) will contain additional requirements applicable for PAPs, PNs and PRAs.

### 5.3 Component 3. Institutional strengthening

5.3.1 The component's objective is to improve the capacities of key institutions in rural development. This component will fund three types of actions: (i) capacity building plans that will include training, consultancy, equipment, vehicles and information systems to improve the management of the main public rural development institutions, as well as to strengthen community organizations for the operation and maintenance of water supply and sewage sanitation works; (ii) studies to improve knowledge on relevant technical, environmental and social aspects of the Piauí-Canindé basin; technical, economic, environmental and social feasibility of engineering studies of basic projects to regularize the availability of water supply in the basin; and (iii) diagnostics and pilot experiences that contribute to the development of a state policy to support innovation in rural areas.

## II. Implementation Arrangements

6. *Lead Project Agency.* The Lead Project Agency of the Project will be the Borrower, through the State Secretariat for Planning (SEPLAN), in which a Project Management Unit (PMU) will be created. The Secretary of State for Family Farming (SAF), the Secretary of State for the Environment and Water Resources (SEMAR) and the Land Institute of Piauí (INTERPI) will act as additional Project parties in the implementation of the Project's actions, in accordance with their legal competences.

7. *Project Coordination Committee.* A Project Coordination Committee with operational responsibilities will also be created, composed of representatives of the UCP and the operational teams of SAF, SEMAR and INTERPI.

8. *Project Management Unit (PMU).* The Lead Project Agency, through the PMU, will be responsible for the overall management and coordination of the Project, and will ensure compliance with this Agreement and the PIM. Among other attributions, it will be responsible for: (i) maintaining formal communication with the IDB; (ii) submit disbursement and accountability requests to the IDB; (iii) coordinate monitoring and evaluation activities; (iv) submit to the IDB the consolidated Annual Operational Plan and Budget (AWPB), Implementation Plan of the Project (PEP), Procurement Plans and progress reports; and (v) coordinate with SAF, SEMAR and INTERPI the execution of activities, monitor the execution of the budget and obtain the necessary inputs for the financial records and the due rendering of accounts to the IDB. The PMU will have the following

minimum team: (i) a project coordinator; (ii) a finance specialist; (iii) two procurement specialists; (iv) an environmental specialist; (v) a gender specialist; and (vi) a monitoring and evaluation (M&E) specialist and (vii) a civil engineer. SAF will be responsible for Component 1. Component 2 will be the shared responsibility of SAF (PAPs and PNs), SEMAR (PRAs) and INTERPI (land and environmental regularization). SEPLAN will be responsible for Component 3, with the support of SAF, SEMAR and INTERPI.

9. *Monitoring and Evaluation (M&E)*. The Project will also fund equipment and consultancy needed for administration and management, monitoring and evaluation, knowledge management and auditing.

10. *Knowledge Management (KM) and Policy Dialogue*. IFAD strong collaboration with the State of Piauí led to the production of Knowledge Management materials for many of the areas which will be covered by the PSI. It has also developed partnerships in Piauí in knowledge management, which will be linked to policy dialogue initiatives.

11. *Project Implementation Manual (PIM) (ROP in IDB language)*. The Project implementation will be in accordance with this Agreement and the PIM. In case of discrepancy between this Agreement and the PIM, the Agreement will prevail. Any change or modification in the PIM, will require prior no objection from the IDB. The PIM will include operational details regarding the IDB and IFAD financing and supervision arrangements.

## Schedule 2

### Allocation Table

1. *Allocation of Loan Proceeds.* (a) The Table below sets forth the components of Eligible Expenditures to be financed by the Loan and the allocation of the amounts to each component of the Financing and the percentages of expenditures for items to be financed in each component:

Component	IFAD Loan Amount Allocated (Expressed in USD)	State of Piauí Amount Allocated (Expressed in USD)	Percentage
Water security and rural sanitation	7 238 000	1 809 000	IFAD 100% net of taxes
Adaptation to climate change and Inclusive Social and Environmental Recovery	8 690 000	2 173 000	IFAD 100% net of taxes
Institutional Strengthening	864 000	216 000	IFAD 100% net of taxes
Management, monitoring, evaluation, knowledge management and auditing	1 208 000	302 000	IFAD 100% net of taxes
<b>TOTAL</b>	<b>18 000 000</b>	<b>4 500 000</b>	

(b) The terms used in the Table above are defined as follows:

- (i) *Water security and rural sanitation:* Eligible Expenditures under Component 1 including small works, consultancies, studies, technical assistance, workshops, training, goods, services, equipment, and materials.
- (ii) *Adaptation to climate change and Inclusive Social and Environmental Recovery:* Eligible Expenditures under Component 2, including grants and subsidies for productive investments, small works, consultancies, studies, technical assistance, workshops, training, goods, services, equipment and materials;
- (iii) *Institutional Strengthening:* Eligible Expenditures under Component 3, including small works, consultancies, studies, technical assistance, workshops, training, goods, services, equipment and materials.
- (iv) *Management, monitoring, evaluation, knowledge management and auditing:* Eligible Expenditures for the operation of the Project, including salaries and allowances (in the case of permanent staff, to be financed only by the State Government), consultancies, studies, workshops,

training, goods, services, equipment, and materials, related to both the PMU and the Territorial Management Units (TMU).

2. *Disbursement arrangements*

(a) *Start-up Costs.* Withdrawals in respect of expenditures for start-up costs (in III and IV component(s) incurred before the satisfaction of the general conditions precedent to withdrawal shall not exceed an aggregate amount of USD 200 000the following amounts per component. Activities to be financed by Start-up Costs will require the no objection from IFAD to be considered eligible.

## **Negotiated guarantee agreement: "Piauí Inclusive and Sustainable Project"**

(Negotiations concluded on 31 August 2022)

This GUARANTEE AGREEMENT is signed on \_\_\_\_\_, 2022 between the FEDERATIVE REPUBLIC OF BRAZIL (hereinafter referred to as "Guarantor") and the INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (hereinafter referred to as "IFAD" or "the Fund" and together the "Parties").

WHEREAS:

Through Financing Agreement No. \_\_\_\_\_(hereinafter referred to as "Financing Agreement"), entered into on this same date in \_\_\_\_\_, between IFAD and the State of Piauí of the Federative Republic of Brazil (hereinafter referred to as "Borrower"), IFAD has agreed to provide the Borrower with a Financing of a Loan of eighteen million United States dollars (USD 18 000 000), provided that the Guarantor guarantees the Borrower's financial obligations for the Loan and remains fully bound until full payment of such obligations stipulated in the referred Financing Agreement and that the said Guarantor contracts the additional obligations specified in this Agreement.

The Guarantor, given the fact that IFAD signed the Financing Agreement with the Borrower, agreed to guarantee unconditionally and irrevocably the due and timely payment of the principal, interest and other charges of the Loan, in accordance with the provisions of this Agreement.

THE PARTIES agree the following:

1. The following documents collectively constitute an integral part of this Agreement: this Agreement, the Financing Agreement, and the Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, as amended in December 2020 (the "General Conditions"). Unless the context otherwise requires, the several terms defined in the General Conditions and the Financing Agreement have the respective meanings therein set forth.
2. The Guarantor hereby unconditionally and irrevocably guarantees, as primary obligor and not as surety merely, the due and timely payment of the principal of, and the payment of interest and other charges on the Loan due under the Financing Agreement whose terms the Guarantor declares to be fully aware of. These financial obligations do not include the commitment by the Borrower to provide additional resources to the execution of the Project.
3. The Guarantor undertakes not to take any action or allow, within the scope of its competence, measures to be taken that hinder or prevent the execution of the Project or obstruct the fulfillment of any obligation of the Borrower established in the Financing Agreement.
4. In cases of amendments to the Financing Agreement, the Borrower must obtain the prior approval of the Guarantor to any modifications or amendments to the Financing Agreement.
5. The Guarantor undertakes to:
  - (a) cooperate, within the scope of its competence, to ensure the fulfillment of the objectives of the Financing;



- (b) inform IFAD, as urgently as possible, of any fact that makes it difficult or may make it difficult to achieve the objectives of the Financing, or the fulfillment of the Borrower's obligations;
  - (c) within its competence, provide IFAD with the information it reasonably requests regarding the Borrower's situation;
  - (d) facilitate to IFAD's representatives, within the scope of its competence, the exercise of their functions related to the Loan and the execution of the Project; and
  - (e) inform IFAD, as urgently as possible, if it is, in compliance with its obligations as a joint debtor, making payments corresponding to the Loan.
6. The Guarantor agrees that both the principal and interests, and other charges on the Loan will be paid without any reduction or restriction, free of any taxes, fees, duties or charges set forth in the laws of the Federative Republic of Brazil, and that both this Agreement and Financing Agreement will be exempt from any applicable tax, fee or duty in connection with the execution, registration and execution of contracts.
7. The Guarantor will not be released from any liability with IFAD until the Borrower has fully complied with all the financial obligations assumed in the Financing Agreement. In the event of any default by the Borrower, the Guarantor's obligation will neither be subject to any notification or challenge, nor to any procedural formality, demand or prior action against the Borrower or against the Guarantor itself. In the event of default by the Borrower, the Fund shall not be required to exhaust its remedies against the Borrower prior to enforcing its rights against the Guarantor. The Guarantor also expressly waives any rights, order or excussion benefits, faculties, favors or resources that assists, or may assist the Guarantor. The Guarantor declares itself aware that it will not release any of its liability to IFAD if there is: (a) an omission or abstention by IFAD in the exercise of any rights, powers or remedies that has against the Borrower; (b) IFAD's tolerance or agreement with the Borrower's default or delays that he may incur in fulfilling its obligations; (c) deadlines extensions or any other concessions made by IFAD to the Borrower, provided that it has the prior consent of the Guarantor; (d) alteration, amendment or revocation, in whole or in part, of any of the provisions of the Financing Agreement, provided that they are made with the prior consent of the Guarantor.
8. IFAD's delay or abstention in the exercise of the rights agreed in this Agreement cannot be interpreted as a waiver of such rights, nor as an acceptance of the circumstances that would allow it to exercise them.
9. Any dispute that arises between the Parties regarding the interpretation or application of this Agreement, which cannot be resolved by mutual agreement, will be subject to arbitration, as established in Section 14.04 of the General Conditions. For the purposes of this arbitration, all references made to the Borrower in the aforementioned Section apply to the Guarantor.
10. Unless a written agreement stipulates another procedure, all notices, requests or communications that the contracting Parties must send to each other under this Agreement must be made, without exception, in writing and will be considered effective upon their delivery to the addressee, by any usual means of communication, at the address indicated below:

For IFAD:

The President  
International Fund for Agricultural Development  
Via Paolo di Dono 44  
00142 Rome, Italy  
Fax: XX

For the Guarantor:

Ministério da Economia  
Procuradoria-Geral da Fazenda Nacional  
Esplanada dos Ministérios, Bloco P, 8º Andar  
CEP: 70.048-900 Brasília, DF  
Brasil  
Fax: +55 (61) 412-1740

Copy to:

Ministério da Economia  
Secretaria do Tesouro Nacional  
Coordenação-Geral de Controle da Dívida Pública  
Esplanada dos Ministérios, Bloco P, Ed. Anexo, Ala A, 1º andar, sala 121  
CEP 70048-900  
Brasília – DF – Brasil  
mail: geror.codiv.df.stn@tesouro.gov.br; [codiv.df.stn@tesouro.gov.br](mailto:codiv.df.stn@tesouro.gov.br)

IN WITNESS WHEREOF, the Guarantor and IFAD, each acting through its authorized representative, have signed this Agreement in two (3) copies one for IFAD, one for Guarantor and one for Borrower, of equal content and for a single effect in [*place of signature*] on the date indicated above.

FEDERATIVE REPUBLIC OF BRAZIL

INTERNATIONAL FUND FOR AGRICULTURAL  
DEVELOPMENT (IFAD)

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[Name]  
[Position]

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[Name]  
[Position]

## Logical framework

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
<b>Outreach</b>	<b>1 Persons receiving services promoted or supported by the project</b>				Project M&E System	Semi-annual	Project M&E Unit	
	Males - Males	0	12000	30000				
	Females - Females	0	12000	30000				
	Young - Young people	0	4800	12000				
	Indigenous people - Indigenous people	0	1920	4800				
	Total number of persons receiving services - Number of people	0	24000	60000				
	<b>1.a Corresponding number of households reached</b>				Project M&E system	Semi-annual	Project M&E Unit	
Households - Households	0	24000	60000	Project M&E system	Semi-annual	Project M&E Unit		
<b>1.b Estimated corresponding total number of households members</b>								
Household members - Number of people	0	84000	210000					
<b>Project Goal</b> Mejorar los ingresos, el acceso a los servicios básicos y la adaptación al cambio climático de la población rural	<b>Índice de Pobreza Multidimensional reducido (Headcount ajustado)</b>				Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm	Continuity of public policies and programs that support rural poverty reduction
	IPM - Percentage (%)	39	35	29				
<b>Development Objective</b> Mejorar los ingresos, las capacidades de resiliencia y la seguridad alimentaria y nutricional de las familias alvos y poblaciones vulnerables.	<b>1.2.8 Women reporting minimum dietary diversity (MDDW)</b>				Outcome (COI) / Impact Survey	Baseline, Mid-Term, and End of Project	Project M&E Unit / Independent consultancy firm	Maintenance of policies and incentives that favor agroecological productive transformation; Technical assistance responds to the needs of the market and the Project; Covid19's economic crisis shows improvement
	Women (%) - Percentage (%)	0	50	50				
	Women (number) - Females	0	1800	7500				
	Households (%) - Percentage (%)	0	15	25				
	Households (number) - Households	0	3600	15000				
	Household members - Number of people	0	12600	52500				
	Women-headed households - Households	0	1800	7500	Outcome (COI)/ Impact Survey	Baseline, Mid-Term, and End of Project	Project M&E Unit / Independent consultancy firm	
	<b>1E.2.1 Individuals demonstrating an improvement in empowerment</b>							
	Total persons - Percentage (%)	0	40	40				
	Total persons - Number of people	0	9600	24000				
	Females - Percentage (%)	0	70	70				
	Females - Females	0	6720	16800				
	Males - Percentage (%)	0	30	30				
	Males - Males	0	2880	7200				
	<b>Ingreso productivo anual de los agricultores familiares aumentado</b>				Impact Survey	Baseline, Mid-Term, and End of Project	Project M&E Unit / Independent consultancy firm	
	Ingreso productor (R\$/ año / productor) - Number	6205	8000	11855				
	Ingreso mujeres (R\$/ año / productor) - Number	2774	4000	7128				
	Ingreso productor - comunidades tradicionales (R\$/ año / productor) - Number	4376	5500	6474	Outcome (COI) / Impact Survey	Baseline, Mid-Term, and End of Project	Project M&E Unit / Independent consultancy firm	
	<b>SF.2.1 Households satisfied with project-supported services</b>							
	Household members - Number of people	0	63000	157500				
	Households (%) - Percentage (%)	0	75	75				
Households (number) - Households	0	18000	45000	Impact Survey	Baseline, Mid-Term, and End of Project	Project M&E Unit / Independent consultancy firm		
<b>Porcentaje de agricultores familiares que utilizan riego</b>								
Households - Percentage (%)	20.8	22	25.7					
<b>Tiempo dedicado a la recolección de agua por hogar</b>								
Tiempo - Horas / persona / mês - Number	3	2	1					
<b>3.2.3 Households reporting a significant reduction in the time spent for collecting water or fuel</b>								
Households - Households	0	3668	9170					
Households - Percentage (%)	0	15	15					
Total household members - Number of people	0	12838	32095					
Women-headed households - Households	0	1834	4585					
<b>Cantidad de agua consumida por hogar</b>								
Cantidad - Litros / hogar / día - Number	134	246	280					
<b>Hogares con acceso mejorado al agua potable y saneamiento</b>								
Households - Number	0	9496	23740					
<b>Se mantiene tasa de mora en pago de tarifa en sistemas comunitarios de abastecimiento de agua</b>								
Tasa de mora - Percentage (%)	3.8	3.8	3.8					
<b>Outcome</b> 1. Acceso al agua para el consumo humano y productivo mejorado					Impact Survey	Baseline, Mid-Term, and End of Project	Project M&E Unit / Independent consultancy firm	Continuidad de las políticas y programas públicos en el Estado de Piauí
					Impact Survey	Baseline, Mid-Term, and End of Project	Project M&E Unit / Independent consultancy firm	
					Outcome (COI) / Impact Survey	Baseline, Mid-Term, and End of Project	Project M&E Unit / Independent consultancy firm	
					Impact Survey	Baseline, Mid-Term, and End of Project	Project M&E Unit / Independent consultancy firm	
					Impact Survey	Baseline, Mid-Term, and End of Project	Project M&E Unit / Independent consultancy firm	
					SISAR Piauí / Impact Survey	Baseline, Mid-Term, and End of Project	Project M&E Unit / Independent consultancy firm	

<b>Output</b> 1.1. Abastecimiento de agua para consumo humano	<b>Familias apoyadas con tecnologías sociales para la recolección, almacenamiento y reutilización de agua</b>			M&E system reports	Semi-annual	Project M&E Unit	La infraestructura básica y social continúa siendo proporcionada por el gobierno.
	Households - Number	0	13000				
<b>Output</b> 1.2. Abastecimiento de agua para consumo humano	<b>Familias apoyadas con tecnologías de saneamiento</b>			M&E system reports	Semi-annual	Project M&E Unit	
	Households - Number	0	3170				
<b>Output</b> 1.3. Movilidad rural	<b>Número de pasos vados para el tráfico sobre cursos de agua construidas</b>			M&E system reports	Semi-annual	Project M&E Unit	
	Pasos vados - Number	0	30				
<b>Outcome</b> 2. Mejorar las condiciones ambientales de las familias rurales y su entorno	<b>Superficie de las cuencas de Piauí y Canindé con cobertura forestal recuperada</b>			M&E system and SEMAR	Mid-Term and End of Project	Project M&E Unit / Independent consultancy firm	
	Hectares - Number	10138079	10100000				
	<b>Percentage de agricultores que reportaron que el espejo de agua tenía un bosque ribereño completamente ausente</b>			Impact Survey	Baseline, Mid-Term, and End of Project	Project M&E Unit / Independent consultancy firm	
	Households - Percentage (%)	20	17				
	<b>Superficie de las propiedades rurales registradas en el CAR</b>			M&E system and SEMAR	Semi-annual	Project M&E Unit / Independent consultancy firm	
	Hectares - Number	0	22000				55000
	<b>SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers</b>			Outcome (COI) / Impact Survey	Baseline, Mid-Term, and End of Project	Project M&E Unit / Independent consultancy firm	
	Household members - Number of people	0	63000				157500
	Households (%) - Percentage (%)	0	75				75
	Households (number) - Households	0	18000				45000
<b>Output</b> 2.1 Planes de Adaptación Productiva (PAD) y Planos de Negocio (PN)	<b>1.1.4 Persons trained in production practices and/or technologies</b>			M&E system reports	Semi-annual	Project M&E Unit	
	Total number of persons trained by the project - Number of people	0	9230				9230
	Men trained in crop - Males	0	4615				4615
	Women trained in crop - Females	0	4615				4615
	Young people trained in crop - Young people	0	1846				1846
	Total persons trained in crop - Number of people	0	9230	9230			
	<b>Agricultores familiares beneficiados por planes de negocios con cooperativas</b>			M&E system reports	Semi-annual	Project M&E Unit	
	Agricultores - Number	0	750				1050
	<b>1.1.8 Households provided with targeted support to improve their nutrition</b>			M&E system reports	Semi-annual	Project M&E Unit	
	Total persons participating - Number of people	0	4112				10280
	Males - Males	0	2056				5140
	Females - Females	0	2056				5140
	Households - Households	0	4112				10280
	Household members benefitted - Number of people	0	14392				35980
	Young - Young people	0	822	2056			
<b>Output</b> 2.2 Planes de Recuperación Ambiental	<b>Diagnóstico y definición de áreas prioritarias, para bosques ribereños y de cabecera realizados</b>			M&E system reports	Semi-annual	Project M&E Unit	
	Diagnóstico - Number	0	2				2
	<b>Planes de recuperación ambiental para áreas de 5ha de bosques maduros de los ríos Piauí y Canindé y sus afluentes elaborados, implementados y mantenidos</b>			M&E system reports	Semi-annual	Project M&E Unit	
	Planes - Number	0	70				100
	<b>Planes de Recuperación Ambiental para áreas de 3ha en cabeceras de las cuencas de los ríos Piauí y Canindé elaborados, implementados y mantenidos</b>			M&E system reports	Semi-annual	Project M&E Unit	
	Planes - Number	0	25				33
	<b>Número de técnicos, productores, jóvenes rurales y docentes que participaron en acciones de educación ambiental</b>			M&E system reports	Semi-annual	Project M&E Unit	
	Technical - Number	0	2925				5925
	<b>Número de técnicos y productores que participaron de intercambios</b>			M&E system reports	Semi-annual	Project M&E Unit	
	Technical - Number	0	1145				2330
<b>Output</b> 2.3. Titulación de tierras y regularización ambiental	<b>1.1.1 Number of beneficiaries gaining increased secure access to land</b>			M&E system reports	Semi-annual	Project M&E Unit	
	Males - Males	0	939				3130
	Females - Females	0	939				3130
	Young - Young people	0	94				313
	Total number of beneficiaries with increased secure access to land - Number of people	0	1878				6260
	<b>Porcentaje de propiedades rurales beneficiadas anualmente con regularización de tierras por el Proyecto con CAR realizada y/o rectificadas</b>			M&E system reports	Semi-annual	Project M&E Unit	
	Propiedades rurales - Percentage (%)	0	90				100
<b>Outcome</b> 3. Aumentar la adopción de tecnologías agropecuarias, incluidas las tecnologías de	<b>2.2.1 Persons with new jobs/employment opportunities</b>			Outcome (COI) / Impact Survey	Baseline, Mid-Term, and End of Project	Project M&E Unit / Independent consultancy firm	
	Males - Males	0	369				923
	Females - Females	0	369				923
	Young - Young people	0	148				369

adaptación y mitigación del cambio climático, y la integración de los productores en las cadenas de valor	Total number of persons with new jobs/employment opportunities - Number of people	0	738	1846				políticas y programas públicos en el Estado de Piauí. Los proveedores de servicios proporcionan bienes y servicios de calidad.
	<b>3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices</b>				Outcome (COI) / Impact Survey	Baseline, Mid-Term, and End of Project	Project M&E Unit / Independent consultancy firm	
	Total number of household members - Number of people	0	6720	28770				
	Households - Percentage (%)	0	3.2	13.7				
	Women-headed households - Households	0	960	4110				
	Households - Households	0	1920	8220				
	<b>Porcentaje de agricultores familiares que participaron en asociaciones productivas o cooperativas</b>				Impact Survey	Baseline, Mid-Term, and End of Project	Project M&E Unit / Independent consultancy firm	
	Households - Percentage (%)	27.7	40	73.4				
	<b>Porcentaje de agricultores familiares que vendieron su producción en los mercados</b>				Impact Survey	Baseline, Mid-Term, and End of Project	Project M&E Unit / Independent consultancy firm	
	Households - Percentage (%)	72.3	80	86.7				
	<b>Porcentaje de mujeres que ocuparon cargos directivos en organizaciones rurales</b>				Impact Survey	Baseline, Mid-Term, and End of Project	Project M&E Unit / Independent consultancy firm	
	Females - Percentage (%)	31.2	40	50				
	<b>Agricultores con acceso mejorado a inversiones y servicios agrícolas</b>				M&E system reports	Semi-annual	Project M&E Unit	
	Households - Number	0	4112	10280				
<b>Instituciones con capacidades de gestión y tecnología digital reforzadas</b>				M&E system reports	Annual	Project M&E Unit		
Instituciones - Number	0	2	4					
<b>Incremento de la proporción de propietarios en el área de proyecto que se siente segura en sus derechos de propiedad</b>				Impact Survey	Baseline, Mid-Term, and End of Project	Project M&E Unit / Independent consultancy firm		
Propietarios - Percentage (%)	63.2	70	84.8					
<b>Output</b> 3.1 Planes de fortalecimiento de capacidades	<b>Planes de fortalecimiento de capacidad institucional formulados</b>				M&E system reports	Semi-annual	Project M&E Unit	
	Planes - Number	0	5	5				
	<b>Planes de fortalecimiento de capacidad institucional ejecutados</b>				M&E system reports	Semi-annual	Project M&E Unit	
	Planes - Number	0	5	5				
	<b>Sistemas de monitoreo y evaluación elaborados</b>				M&E system reports	Semi-annual	Project M&E Unit	
	Sistemas - Number	0	4	4				
<b>Equipos ejecutores y co-ejecutores capacitados en el uso de sistemas de monitoreo y evaluación y ejecución de las actividades para los fines del Proyecto</b>				M&E system reports	Semi-annual	Project M&E Unit		
Equipos - Number	0	4	4					
<b>Output</b> 3.2 Estudios y proyectos en la cuenca Piauí-Canindé	<b>Estudios técnicos y socioambientales para el desarrollo de la cuenca, subcuencas y de obras de represas elaborados</b>				M&E system reports	Semi-annual	Project M&E Unit	
	Estudios - Number	0	2	5				
	<b>Planes de gestión de las cuencas Canindé/Piauí elaborados e implementados</b>				M&E system reports	Semi-annual	Project M&E Unit	
Planes - Number	0	0	3					
<b>Output</b> 3.3 Apoyo a la innovación	<b>Número de diagnósticos sobre la demanda y oferta de servicios de innovación tecnológica concluidos</b>				M&E system reports	Semi-annual	Project M&E Unit	
	Diagnósticos - Number	0	2	2				
	<b>Número de cooperativas apoyadas con acciones de innovación</b>				M&E system reports	Semi-annual	Project M&E Unit	
	Cooperativas - Number	0	2	5				
<b>Outcome</b>	<b>3.2.1 Tons of Greenhouse gas emissions (tCO<sub>2</sub>e) avoided and/or sequestered</b>				Impact Survey - Carbon-Balance Tool (EX-ACT)	Ex ante, mid term and final Carbon-Balance Tool (EX-ACT)	Independent consultancy firm	
	Hectares of land - Area (ha)	0	0	424				
	tCO <sub>2</sub> e/20 years - Number	0	0	-99805				
	tCO <sub>2</sub> e/ha - Number	0	0	-4990				
	tCO <sub>2</sub> e/ha/year - Number	0	0	-11.77				

## Integrated project risk matrix

<b>Risk Category / Subcategory</b>	<b>Inherent risk</b>	<b>Residual risk</b>
Country Context	Substantial	Moderate
Political Commitment	Substantial	Moderate
Governance	Moderate	Low
Macroeconomic	Substantial	Moderate
Fragility and Security	Substantial	Moderate
Sector Strategies and Policies	High	Moderate
Policy alignment	High	Moderate
Policy Development and Implementation	Substantial	Moderate
Environment and Climate Context	High	Moderate
Project vulnerability to environmental conditions	High	Moderate
Project vulnerability to climate change impacts	High	Moderate
Project Scope	Moderate	Low
Project Relevance		No risk envisaged - not applicable
Technical Soundness	Moderate	Low
Institutional Capacity for Implementation and Sustainability	Substantial	Moderate
Implementation Arrangements	Substantial	Moderate
Monitoring and Evaluation Arrangements	Moderate	Low
Project Financial Management	Substantial	Low
Project Organization and Staffing	Substantial	Moderate
Project Budgeting	Substantial	Moderate
Project Funds Flow/Disbursement Arrangements	Substantial	Moderate
Project Internal Controls	Substantial	Low
Project Accounting and Financial Reporting	Moderate	Low
Project External Audit	Low	Low
Project Procurement	Moderate	Low
Legal and Regulatory Framework	Moderate	Low
Accountability and Transparency	Low	Low
Capability in Public Procurement	Moderate	Moderate
Public Procurement Processes	Moderate	Low
Environment, Social and Climate Impact	Substantial	Moderate
Biodiversity Conservation	Moderate	Low

<b>Risk Category / Subcategory</b>	<b>Inherent risk</b>	<b>Residual risk</b>
Resource Efficiency and Pollution Prevention	Substantial	Moderate
Cultural Heritage		No risk envisaged - not applicable
Indigenous People	Low	Low
Labour and Working Conditions	Moderate	Low
Community Health and Safety		No risk envisaged - not applicable
Physical and Economic Resettlement		No risk envisaged - not applicable
Greenhouse Gas Emissions	Substantial	Moderate
Vulnerability of target populations and ecosystems to climate variability and hazards	High	Substantial
Stakeholders	Moderate	Low
Stakeholder Engagement/Coordination	Low	Low
Stakeholder Grievances	Moderate	Low
Overall	Substantial	Moderate
Country Context	Substantial	Moderate
Political Commitment	Substantial	Moderate
<b>Risk:</b>		
Changes in political authorities at the state and national levels are relevant and could alter the executing agency's priorities and produce changes in the technical teams, delaying the Project implementation. Although PSI enjoys full political support from the State Government's current leadership, the result of the upcoming 2022's elections may slightly change the scenario concerning the political commitment to the Project.	Substantial	Moderate
<b>Mitigations:</b>		
The project responds directly to the state government's priorities and interests. It aligns with programs and public policies that are not expected to change in the medium term. The PSI also fits the Federal Government's priorities according to the criteria established for external financing, as evidenced by the high rating of the Project by the Commission for External Financing (COFIEX). The risks will be mitigated through the involvement of several other partners in PSI development, including public state agencies, civil society, private sector. Also, IDB and IFAD		

will keep a continuous dialogue with state and federal counterparts to inform new authorities of Project characteristics and benefits, as well as keep participating in policy dialogue platforms such as the Forum of State Secretaries and Northeast Consortium. IFAD Office in Salvador will play a critical role in monitoring changing political scenario.		
Governance	Moderate	Low
<b>Risk:</b>		
Weakening of state government secretariats aimed at rural development, family farming, environmental conservation, and poverty reduction due to increased political power of the agribusiness sectors (monoculture for export) may interfere in the allocation of resources to rural development. Nevertheless, this risk is considered low to moderate, as the country and state institutions are solid and exhibit a long-term commitment to family farming and poverty alleviation policies targeting the poorest and most vulnerable rural populations.	Moderate	Low
<b>Mitigations:</b>		
The project will adopt a multisectoral approach to tackle the main problems affecting the rural populations of the Project area. PSI will strengthen, integrate and develop government programs and policies related to sustainable rural development. Besides, the Project will include a capacity-building component to help strengthen key rural development institutions and secretariats at the state level.		
Macroeconomic	Substantial	Moderate
<b>Risk:</b>		
i) Unstable political and economic environment with trends of increase in inflation, unemployment, decreasing/low GDP growth, and deterioration of public accounts. ii) If the fiscal situation worsens due to the lingering economic effects of COVID-19 and unfavorable developments in the international and national context, this could undermine the state government's capacity to mobilize and allocate sufficient funding to the Project and could delay implementation. iii) If the Brazilian Real appreciates compared to the Dollar, the Program costs could increase (in Dollars), and the budget would be insufficient to execute the Project activities as planned. iv) The	Substantial	Moderate



<p>effects of the Ukraine war in Brazil, and in Piauí as a consequence, are the increase in costs of fertilizers imported and in commodities prices, particularly corn, wheat, oil and sunflower oil, which could affect general food prices. The restrictions of the supply – or just the possibility of lower availability – already boosted prices and worsen the national inflation rates.</p>		
<p><b>Mitigations:</b></p> <p>i) Close monitoring of the macroeconomic situation and policies. ii) Consistent political dialogue at federal and state levels. iii) Elaborating PSI action plans, considering the most likely future scenarios, and adjusting priority actions and Project disbursement according to contextual changes whenever necessary. iv) Regarding the impacts of the war in Ukraine, the Project will partner with procurement consultants and technical assistance (TA) teams to map a wider network of suppliers, how their peers are handling the crisis, and support innovative solutions to manage the impacts of the war in supply availability and costs. Besides, the productive investment plans that will benefit producers (ERP, PAPs and BP) will take current and future inflation macroeconomic tendencies into consideration in their economic feasibility analysis.</p>		
<p>Fragility and Security</p>	<p>Substantial</p>	<p>Moderate</p>
<p><b>Risk:</b></p> <p>The economic fragility in the past years, coupled with the drastic effects of a pandemic of undetermined duration, led to high unemployment rates and an exponential increase in the population living below the poverty line in Brazil. That figure, which was 9.5 million people in August 2020, tripled to more than 27 million in February 2021. With the upsurge of the pandemic, the number of people in food insecurity also considerably increased, especially in the North and Northeast regions. In 2020, food and nutrition insecurity affected 71,9% of households in the Northeast region. These trends, along with the political tensions that precede the 2022 elections may lead to a serious situation of institutional insecurity.</p>	<p>Substantial</p>	<p>Moderate</p>
<p><b>Mitigations:</b></p>		

PSI's integrated resilience approach shall help address various climate, economic and environmental shocks. Besides activities aimed at improving family farmers' ability to recover from hazards, Project interventions aim to assure food and nutritional security, poverty reduction, and minimization of target groups' economic losses to external shocks. The PSI has in its general objective food security.		
Sector Strategies and Policies	High	Moderate
Policy alignment	High	Moderate
<b>Risk:</b>		
There is a risk that possible public policies are not sufficiently aligned with IFAD and IDB's priorities (especially regarding access to land, environment, climate, gender, diversity, youth, food and nutrition), potentially limiting the scope of PSI's development objectives and operation. In addition, there may be discrepancies between state and federal political priorities, which may also affect the Project.	High	Moderate
<b>Mitigations:</b>		
The Project design is fully aligned with Piauí's Pluriannual Plan (PPA) for 2020-2023, Piauí's Water Resources Plan, Pillars of Growth and Social Inclusion Project, and Pro Piauí. PSI will be implemented at the state level and in an area of poverty prevalence, where the water issue is a consensual priority, reducing the risks of misalignment. At the federal level, PSI is aligned with several policies and programs, such as Brazil's Determined National Contribution (NDC) objective of establishing sustainable agriculture that is resilient to climate change; National Adaptation Strategy (ENAAAC), and National Adaptation Plan to Climate Change (PNA); Cisterns Program, National Rural Environmental Registry System (SICAR), National Technical Assistance and Rural Extension Policy for Family Farming and Agrarian Reform (PNATER), PAA, PNAE, and PRONAF. The exceptionally high rating of the project by the Commission for External Financing (COFIEX) illustrates the sound alignment with federal policies. IFAD and IDB will continue dialoguing with the federal agencies to ensure their awareness of the project objectives and activities.		
Policy Development and Implementation	Substantial	Moderate

<p><b>Risk:</b></p> <p>The risk that strategies and policies aimed at the rural and agricultural sector are not based on solid evidence, do not accurately represent rural organizations' views and are inadequately supported by a regulatory framework, affecting the Project implementation and the achievement of its goals.</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>i) The Project will build a solid basis for collaboration with research institutions and civil society partners with strong experience regarding the semiarid context, besides counting on the capacity and experience of a strong M&amp;E system to ensure that empirical data and information can guide its implementation. ii) PSI will be based on a bottom-up rural development approach, facilitating beneficiary participation in Project implementation and building the capacity of poor rural people and their organizations. iii) The Project's Steering Committee will serve as a participatory mechanism, ensuring that there is broad representation in the implementation of the Project. iv) IDB and IFAD will ensure PSI receives constant feedback on innovative approaches, good practices, and policies from other projects in their portfolios. v) The partnership between IFAD and the IDB, both international bodies with a state and federal impact, will help to minimize the risks. vi) In addition, IFAD grants, such as DAKI-Semiárido Vivo, can help and support the preparation for Project implementation. vii) Finally, IFAD continues to support policy dialogue instruments, thus ensuring the effective implementation of the PSI.</p>		
Environment and Climate Context	High	Moderate
Project vulnerability to environmental conditions	High	Moderate
<p><b>Risk:</b></p> <p>The Project area faces long-term degradation of Caatinga's ecological and productive functions, with 33% of the Piauí biome (84.000 km<sup>2</sup>) affected by moderate desertification processes. Degraded riverside areas also affect the hydrological functioning of the basin. This context constitutes a risk to the productivity of the agricultural activities supported by the Project.</p>	High	Moderate
<p><b>Mitigations:</b></p>		

<p>i) The Project's interventions include the environmental recovery of priority protection areas (riparian forests) to improve hydrological services in the Piauí and Canindé watersheds, co-benefits for biological corridors, environmental regularization initiatives, investments in basic rural sanitation, and institutional strengthening in territorial environmental management. ii) The PSI productive component will also contribute to reducing environmental vulnerability by supporting family farmers and communities with technical assistance to adopt agroecological and resilient productive practices. (i.e. water access technologies, such as household cisterns, greywater reuse systems, solar powered desalination units, among others) iii) To fulfill the requirements of IDB's Environmental and Social Policy Framework and the provisions of the Performance Standards (PS), the executing entity will implement an Environmental and Social Management System for the PSI and has already elaborated and disclosed a preliminary Strategic Environmental and Social Impact Assessment.</p>		
<p>Project vulnerability to climate change impacts</p>	<p>High</p>	<p>Moderate</p>
<p><b>Risk:</b></p> <p>Almost all of the project area belongs to the semiarid region. Therefore, it is constantly subject to climatic risks and water scarcity, both due to the lack of precipitations and high evapotranspiration. The increase in temperature and the variability of rainfall patterns with more frequent, prolonged, and severe droughts present a risk of significant impacts on production systems. These climate risks may reduce productivity, and family farmers' income, resulting in deterioration of target population livelihoods and ecosystems. The need for water for crops and animals is increasing in a context already characterized by water scarcity and where access to water for human consumption still has ample gaps.</p>	<p>High</p>	<p>Moderate</p>
<p><b>Mitigations:</b></p> <p>Project will invest in climate change adaptation, environmental recovery, and the conservation of areas essential for the hydrological functioning of the Piauí and Canindé watershed, social technologies for capturing, storing, and recycling water,</p>		

and supporting the adoption of agroecological practices to increase productive systems' resilience.		
Project Scope	Moderate	Low
Project Relevance		No risk envisaged - not applicable
No relevant risk for the project's objectives and interventions being not fully aligned with IFAD's or the country's development priorities. The Project corresponds to the central challenges of production and access to services for the rural poor, and the design is also aligned with state policies and priorities. Besides, PSI has a participatory approach that will allow ownership, relevance, and alignment with target groups' needs and priorities		
Technical Soundness	Moderate	Low
<b>Risk:</b>  : There is a low to moderate technical risk in implementation due to the current capacities of state-level public institutions as Project activities require strong coordination and integrated planning.	Moderate	Low
<b>Mitigations:</b>  i) Designing the Project based on lessons learned from PVSA and IDB projects in the Brazilian Northeast (1633/OC-BR, 5440/OC-BR, 4723/OC-BR, 4732/OC-BR, ATN/LC-17432-BR). PSI is highly robust also based on IFAD's and IDB's solid technical experience. ii) Establishing effective management and coordination structure. iii) The Project includes an institutional strengthening component of SEMAR, SAF, and EMATER. iv) Building alliances with third-party suppliers of technical assistance to producers and communities, which are very common in IFAD projects in Brazil and have achieved excellent results in innovation and technical quality.		
Institutional Capacity for Implementation and Sustainability	Substantial	Moderate
Implementation Arrangements	Substantial	Moderate
<b>Risk:</b>  i) The execution of the Project by several government entities and organizations of rural producers (who manage the beneficiaries' investment plans) is the main risk identified. If	Substantial	Moderate

<p>there is no adequate coordination between the key institutions, execution can be delayed and the technical quality of the Project products affected. ii) There is also a risk that the capacities of the project executing agency are insufficient for adequate and effective Project management, generating delays and lower execution quality. iii) For some jobs, such as technical assistance and provision of specialized services, as in the project's water component, there is a risk of a lack of qualified personnel in the state. iv) Lack of clarity in institutional responsibilities could delay the execution of water and sanitation works and compromise their proper operation and maintenance.</p>		
<p><b>Mitigations:</b></p> <p>i) Establishing a Project Management Unit (PMU) in SEPLAN, which will be responsible for the general Project coordination and management. This PMU will coordinate planning, financial management and implementation, and will report on the technical and financial evolution of the Project. Each executing institution with signed investment plans shall continuously monitor their implementation by rural organizations. ii) Establishing a Coordination Committee made up of representatives from the PMU and the operational teams of SAF, SEMAR, and INTERPI that will meet monthly to coordinate Project communication activities, the planning of community actions, review the progress in the Annual Operational Plan, review environmental and social aspects, among other themes. iii) The institutional strengthening of component 3 will offer training and capacity building and, when necessary, the PSI may bring in technical personnel from other states, as the PVSA did. IFAD grant projects, such as DAKI-Semiárido Vivo, will also provide training to teams, mainly TA, for climate change adaptation practices and approaches. iv) Cooperation agreements will be signed with each municipality in which the water and sanitation type of works; training and technical assistance will be provided to community organizations and beneficiary families to ensure adequate management, operation, and maintenance of the project investments.</p>		
<p>Monitoring and Evaluation Arrangements</p>	<p>Moderate</p>	<p>Low</p>
<p><b>Risk:</b></p>	<p>Moderate</p>	<p>Low</p>

<p>The risk of poor M&amp;E performance is considered low because PVSA has built a strong M&amp;E capacity, based on which PSI will improve and develop the necessary systems. i) As the execution of the Project will take place in a decentralized manner (by several entities of the public administration), the task of monitoring physical progress will be more complex, which may result in information loss. ii) The Project may have difficulties in composing a specialized M&amp;E team to work at the PMU, as well as in the PMUs of the co-executors, both in the state's professional staff and in hiring specialist consultants.</p>		
<p><b>Mitigations:</b></p> <p>i) IDB has prepared a robust M&amp;E Plan, which defines key aspects and methodologies for monitoring and evaluating PSI results. This plan will be updated by the M&amp;E team at the beginning of the PSI execution, to include the monitoring arrangement to guarantee the fluidity of information between the bodies responsible for implementing the Project and define each professional's roles. ii) Although each co-executing entity will be responsible for monitoring its activities, SEPLAN will consolidate the M&amp;E data of the project as a whole. iii) The SIGMA, a system used by the SAF team for the World Bank Project (Pillars of Growth - Pilares do Crescimento), will be used, adapted, and made available online for the co-executors to manage information. There is a budget planned for the system improvement and this will be an important legacy for the state. iv) Strengthening the M&amp;E team's capacities in the context of developing the institutional capacities of key state entities.</p>		
Project Financial Management	Substantial	Low
Project Organization and Staffing	Substantial	Moderate
<p><b>Risk:</b></p> <p>Financial team from the Project Management Unit (PMU) with limited experience in the financial management of IFAD and IDB funded projects, resulting in limited ability to fulfil the functional needs of the Project</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>Provide training of the financial team, with the support of IFAD and IDB, in management processes for the use and reporting of external funds</p>		

Project Budgeting	Substantial	Moderate
<p><b>Risk:</b></p> <p>SEPLAN is the state entity that leads the policies related to external financing with multilateral agencies and will be the main executing entity. SEPLAN may have little fiscal margin to provide counterpart budget and funds on time.</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>IFAD and IDB teams will ensure a strong commitment of SEPLAN to the Project and its articulation with SEFAZ for ensuring the allocation of sufficient counterpart financial resources for Project implementation</p>		
Project Funds Flow/Disbursement Arrangements	Substantial	Moderate
<p><b>Risk:</b></p> <p>The State Government will maintain a USD denominated bank account in order to receive IFAD loan funds. The parri passu mechanism will be implemented for the IDB-IFAD cofinanced components. Beneficiary organizations, which will manage resources and implement investment might have weak capability around management of resources, are not able to submit timely and quality investments plans and financial reporting which might delay implementation.</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>Include definition of parri passu arrangement in the Program Operating Regulations.</p> <p>Financial reporting and accountability mechanism of implementing organizations will be clearly established in Program Operating Regulations and a model agreement will be prepared to be signed with the organizations clearly stating responsibilities and mechanisms to be applied.</p> <p>Technical assistance will be provided by IDB to implement the requirements as per Program Operating Regulations and agreements signed.</p>		
Project Internal Controls	Substantial	Low
<b>Risk:</b>	Substantial	Low



<p>The project will have an appropriate organizational structure, procedures, manuals, systems, established workflows and staff responsibilities, segregation of duties, chart of accounts, asset control, and audit functions. The area that will require special attention is the supervision of the funds transferred to rural organizations. If these organizations fail to submit timely and adequate accounts to SAF for the resources transferred, execution may be delayed</p>		
<p><b>Mitigations:</b></p> <p>The preliminary Program Operating Regulations were elaborated and will be further developed to ensure adequate support and supervision of rural organizations. Key aspects will be clearly establishing oversight responsibilities of project staff and mechanism of supervision; capacity-building plan for rural organizations, disbursement and reporting procedures, and external auditors' review of rural organization transactions to ensure a continuous improvement of rural organizations' management capacities for the adequate use of Project funds.</p>		
<p>Project Accounting and Financial Reporting</p>	<p>Moderate</p>	<p>Low</p>
<p><b>Risk:</b></p> <p>The accounting policies used in the State system and acceptable and in line with international standards. The State financial management system is reliable and suitable for operations; however, it does not fully comply with IFAD reporting requirements and might lack the capability to produce the management reporting needed for proper decision making by the project team</p>	<p>Moderate</p>	<p>Low</p>
<p><b>Mitigations:</b></p> <p>The project will implement a complementary financial system to allow for monitoring of budget and execution by funding source component and category which generates reporting as required by IFAD and IDB.</p>		
<p>Project External Audit</p>	<p>Low</p>	<p>Low</p>
<p><b>Risk:</b></p> <p>The IDB is responsible for the fiduciary oversight of the project. The external audit of the project will be carried by an external firm acceptable to the IDB (regional audit courts responsible for</p>	<p>Low</p>	<p>Low</p>

audits at state level are not accredited by the World bank). As per the cooperation agreement audited financial statements will be shared by IDB to IFAD no later than 6 months after end of fiscal year.		
<b>Mitigations:</b>		
No measures		
Project Procurement	Moderate	Low
Legal and Regulatory Framework	Moderate	Low
<b>Risk:</b>		
The new federal regulatory framework for tenders and administrative contracts (Law no. 14.133/2021), establishes important changes that will have direct repercussions on State public Procurement. Considering the new law will have a mandatory application from April 2023, there is a risk of possible interruptions and delays in the project procurement execution. In addition, the risk linked to changes and innovations brought by the new legislation is also highlighted, which can directly impact the development of the Project as the teams may find it difficult to assimilate and implement the changes at the appropriate time. From the data extracted on the PEFA program website (Public Expenditure and Financial Accountability), it is also possible to identify the risk related to the weaknesses of public access to information on purchases and contracts, which can generate gaps for irregular practices, distrust of the legitimacy of activities, and questioning by the control bodies.	Moderate	Low
<b>Mitigations:</b>		
To reduce the risks inherent to the changes brought by the new regulatory framework, it is recommended that the conditions and methods peculiar to the selection and contracting contained in the IFAD and IDB norms, when applicable, are indicated in the Grant Agreement, and their use is subject to a favorable opinion from the legal body of the grantee prior to the execution of said Agreement. Providing training and retraining on the rules applicable to the personnel involved in procurement activities and continuous monitoring of the Project's procurement team regarding the changes in the new law are also strongly recommended.		
Accountability and Transparency	Low	Low

<p><b>Risk:</b></p> <p>In terms of accountability, the absence of clear protocols in the National systems can lead to failures in the direction of demands and, consequently, impact the investigations and solving any irregularities, with a potential risk of questioning the legitimacy of some decisions taken under an apparent conflict of interests. The inexistence of a 2-tiered system to handle complaints can generate a lack of exemption in the evaluation, mistaken conclusions and/or ineffective treatment of the information, directly impacting the necessary corrective measures and affecting the reputation, and culture of the Project.</p>	Low	Low
<p><b>Mitigations:</b></p> <p>i) implement specific protocols for receiving/handling complaints that include general and exception rules, dissemination, training, and communication plans, as well as non-retaliation policies against whistle-blowers, among others; ii) adopt a 2-tiered system for handling complaints with rules well defined in a specific manual; iii) implement an ethics and compliance council to deliberate on complaints; iv) adopt the practice of conducting prior research in procurement/contracting activities (third party due diligence) through consultation of federal and state debarred lists and other relevant tools.</p>		
<p>Capability in Public Procurement</p>	Moderate	Moderate
<p><b>Risk:</b></p> <p>i) Hiring according to IADB guidelines and procedures is unusual for the state government (except for SAF, the executing agency of PVSA) and needs specific capabilities in public procurement, although executing agencies already have professionals with experience in biddings of this nature. ii) Acquisitions will be carried out by several government entities and by rural organizations that will receive, funds for the implementation of PAPs and BP have to carry out a large volume of contracts.</p>	Moderate	Moderate
<p><b>Mitigations:</b></p> <p>i) Provide training and retraining on the rules applicable to the personnel involved in procurement activities. ii) Establish a Procurement Management sector at the PMU to coordinate the procurement issues and carry out the primary and more complex</p>		

selection and acquisition processes, and coordinate the operations on the topic of acquisitions with the entities involved in Project execution. iii) The PSI should provide training and retraining on the applicable rules for all professionals involved in procurement activities, including producer organizations		
Public Procurement Processes	Moderate	Low
<p><b>Risk:</b></p> <p>Procurement processes follow a fragmented flow between different sectors of the executing agency, showing a low degree of communication and interaction between those involved, especially regarding the planning phase of activities. This can lead to a lack of understanding of the procurement and contracting processes, problems with specification and identification of needs, difficulties in choosing the applicable method, adoption of unrealistic plans, and non-compliance with deadlines for each process, among others. Such risks can severely impact the efficiency and quality of the Project's procurement and contracting activities. Lack of knowledge about IADB's procurement rules represents a risk that can lead to delays and failures in the development of activities in the area.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>i) The Project shall adopt participative and integrated planning of procurement involving its coordination and the technical and financial area; ii) procurement and contracting flows and procedures will be clearly described in the Program Operating Regulations Manual; iii) the project procurement team will be trained in IADB guidelines which are in line with IFAD's.</p>		
Environment, Social and Climate Impact	Substantial	Moderate
Biodiversity Conservation	Moderate	Low
<p><b>Risk:</b></p> <p>The PSI is within the Caatinga biome, which, despite the adverse conditions, presents great biodiversity, with a high rate of fauna and flora endemism. Changes in the water regime may affect protected and/or endemic species of both fauna and flora.</p>	Moderate	Low
<p><b>Mitigations:</b></p>		

<p>Mitigations: i) The Project design has already included the prepared and disclosed preliminary Strategic Environmental and Social Impact Assessment. ii) Carrying out studies of the biotic environment, surveying the existing fauna and flora, and proposing periodic monitoring and rescue programs for endangered species. iii) Implementing activities to improve family farmers' productivity and income exclude critical habitat areas. iii) In addition, in line with IDB policies, the PSI will not be able to carry out any activities that cause significant conversion or degradation of natural habitats.</p>		
<p>Resource Efficiency and Pollution Prevention</p>	<p>Substantial</p>	<p>Moderate</p>
<p><b>Risk:</b></p> <p>i) The development of productive activities generate the risk of soil degradation, loss of forest cover, deforestation, burning, contamination of soil and water, and the generation of solid/liquid waste. ii) The lack of proper sanitation and sewage treatment is a leading cause of pollution in the project area. iii) The high concentration of salt in soils refers to the natural process of salinization of surface and ground waters, a characteristic of the Project area. The use of high salinity water can lead to a rapid deterioration of soil conditions</p>	<p>Substantial</p>	<p>Moderate</p>
<p><b>Mitigations:</b></p> <p>i) The Project will mitigate these possible risks through fostering agroecological practices (organic fertilizer, water for reuse, recovery of degraded areas, among others), actions to strengthen public institutions and the Piauí-Canindé river basin committee itself, and activities aimed at training and environmental education for fostering ecosystem conservation. PSI will help communities (particularly quilombola) obtain land titling, strengthening incentives for them to invest in conservation practices. Besides, the project will offer financial literacy to producers receiving land ownership to ensure land is used responsibly and to beneficiaries' maximum value creation and protection. ii) The Project will invest in basic sanitation infrastructures, including individual systems for treating household sewage, greywater reuse systems, and green pits. iii) Unlike other identified risks, this is a permanent one. Still, it can be mitigated by implementing technologies to desalinate well water and other water sources and periodically monitor the</p>		

characteristics of irrigated soil. Besides, the project will constantly monitor water quality, particularly in the context of supervision missions and ad hoc implementation support missions, in accordance with national standards.		
Cultural Heritage		No risk envisaged - not applicable
There is no risk the Project may cause significant degradation of cultural or physical resources, including threats to resources of historical, religious, or cultural importance or their loss.		
Indigenous People	Low	Low
<b>Risk:</b>  There is no risk the Project may have a significant physical, social, or economic negative impact on indigenous peoples, or that it threatens resources of historical or cultural importance to them or the loss of these resources. Indigenous peoples will not be adversely impacted by PSI actions.	Low	Low
<b>Mitigations:</b>  i) Project eligibility/exclusion criteria prohibit the acquisition or restriction of land use in areas of indigenous and traditional communities. ii) The Environmental and Social Management Framework (ESMF) will include a Plan for Disclosure and Public Consultations, contemplating the participation of quilombola, indigenous and other traditional communities, informing about the Project and location of proposed interventions in the communities, reporting on the activities and location of any intervention in the area bordering the demarcated Territory. iii) The ESMF will also include a Social Communication and Community Participation program that respects and includes forms of documenting and means of communication accessible and adequate to the cultural specificities of indigenous peoples and traditional communities of the Project area.		
Labour and Working Conditions	Moderate	Low
<b>Risk:</b>  Risk that the Project may result in abusive labor practices (for example, forced or child labor), cases of gender violence, discriminatory and unsafe/unhealthy working conditions for	Moderate	Low

those employees of the Project, including third parties and large suppliers.		
<p><b>Mitigations:</b></p> <p>All contracts with contractors, suppliers, and third parties to be financed with IFAD funds will include provisions that prohibit child labor and promote decent work. The Project will recruit a social specialist for the PMU. An action plan for gender equality will also be developed, examining measures to prevent and combat gender-based violence.</p>		
Community Health and Safety		No risk envisaged - not applicable
Risk: There is no risk the Project will have adverse effects on the health and safety of the community.		
Physical and Economic Resettlement		No risk envisaged - not applicable
The Project's intervention should not cause the resettlement of families.		
Greenhouse Gas Emissions	Substantial	Moderate
<p><b>Risk:</b></p> <p>The degradation of the Caatinga biome due to unsustainable agricultural practices could lead to rising greenhouse gas (GHG) emissions. The setbacks in environmental policy and control in recent years point to a tendency for increased emissions.</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>PSI's components of environmental recovery aim to contribute to the recovery and conservation of water resources in the Piauí-Canindé river basin through actions such as the recovery of riparian forests and environmental revitalization of springs through reforestation with native seedlings. These activities will reduce GHG emissions. In fact, they will even sequester carbon.</p>		
Vulnerability of target populations and ecosystems to climate variability and hazards	High	Substantial
<p><b>Risk:</b></p> <p>i) In the semi-arid region, variations of the usual rainfall pattern in the semi-arid region are somewhat frequent. This factor</p>	High	Substantial

<p>influences the water availability and puts the communities' ability to maintain water supply for drinking and other uses at risk. ii) According to the Drought Monitoring System of the North-eastern Brazil, the state of Piauí has a wide range of drought intensity both in the short and long term: from low-intensity droughts to extreme droughts. Projections indicate that, for the next 30 years, the average increase in temperature in the region will be between 0,5o and 1,5oC. In the Project area, drought is the main climate threat and, from 2012 to 2018, the region has faced the most severe and prolonged drought in a hundred years, demonstrating the high vulnerability of the populations and their production systems to climate variability and hazards.</p>		
<p><b>Mitigations:</b></p> <p>i) This possible risk can be prevented or mitigated through measures focused on sustainable water management and access, mainly for human consumption, agricultural production, and the safety of children. The installation of small dams may help regulate the flow of rivers and recharge the water table. ii) IDB has conducted a climate change and disaster analysis that concluded that the drought and flood risk management plans to be financed by PSI will ensure adequate risk mitigation measures.</p>		
<p><b>Stakeholders</b></p>	<p>Moderate</p>	<p>Low</p>
<p><b>Stakeholder Engagement/Coordination</b></p>	<p>Low</p>	<p>Low</p>
<p><b>Risk:</b></p> <p>There is a low risk that the main players invited to be part of the Project show little interest or commitment toward the project's objectives and activities. Some civil society organizations represent different interests relevant to the Project - Movement of Landless Workers (MST), COOTAPI, and FETAG of Oeiras. The design team met their representatives as part of the consultation process for this Project's concept note. The objectives and approaches of the Project align with the interests of these organizations. Also, IDB, in line with its Environmental and Social Policy Framework (ESPF) has carried out a public consultation process.</p>	<p>Low</p>	<p>Low</p>
<p><b>Mitigations:</b></p>		



<p>SEPLAN coordinates the participation of interested sectorial institutions (SEMAR, SAF, EMATER, INTERPI, IDEPI) both during Project design and implementation. At the community level, the Project will implement a participatory process to develop Productive Adaptation Plans (PAP) and Business Plans (BP) to ensure the participation and representation of the needs and aspirations of the different groups in defining the specific supports to be offered by the Project. PSI will also establish continuous communication, awareness-raising, and coordination with the many partners at all levels (local, state, and federal) starting at the project design stage, and activities on visibility aimed at promoting and clarifying potential outcomes of project activities, both for target groups and partners involved in implementation.</p>		
Stakeholder Grievances	Moderate	Low
<p><b>Risk:</b></p> <p>Project implementation may entail the submission of complaints by several involved or impacted groups, thus affecting the continuity of activities and the established schedule.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>The Project will incorporate a clear and effective mechanism for grievance/complaints redress, to be designed in a participatory way in line with IDB methodologies and guidelines (Mecanismo de Resolução de Queixas - MRQ). During the design, a public consultation was conducted with stakeholders. The procedure includes mechanisms to manifest the claim or complaint, response time, and resolution spheres. This mechanism shall be easily accessible to the population and have a speedy resolution, ensuring that submitted complaints are quickly reviewed and situations are mutually agreed upon in a satisfactory way for the parties involved.</p>		